

Bandai Namco Holdings Inc.

Consolidated Financial Report for the First Quarter of the Fiscal Year Ending March 31, 2025

August 8, 2024

DISCLAIMER

- Bandai Namco Holdings Inc. provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy, the original “Kessan Tanshin” in Japanese shall prevail.
- This document contains forward-looking statements that are based on management’s estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

Bandai Namco Holdings Inc.

Stock Listing: Tokyo Stock Exchange

Code Number: 7832

(URL: <https://www.bandainamco.co.jp/>)

August 8, 2024

Consolidated Financial Report for the First Quarter of the Fiscal Year Ending March 31, 2025 (Japanese GAAP)

Representative: Masaru Kawaguchi, President and Representative Director
Contact: Yuji Asako, Director
Scheduled starting date for dividend payments: –
The Financial Highlights of the Financial Results: Yes
The information session of the Financial Results: Yes (for institutional investors and analysts)

* Figures are in millions of yen, rounded down

1. Consolidated Results for the First Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (For the Three Months Ended June 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Recurring profit	
	¥ million	%	¥ million	%	¥ million	%
First Quarter of the Fiscal Year Ending March 31, 2025	280,627	24.8	44,023	57.3	49,072	49.9
First Quarter of the Fiscal Year Ended March 31, 2024	224,812	4.0	27,989	(37.0)	32,733	(36.2)

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	¥ million	%	¥	¥
First Quarter of the Fiscal Year Ending March 31, 2025	34,050	56.3	52.05	–
First Quarter of the Fiscal Year Ended March 31, 2024	21,786	(41.1)	33.01	–

(Note) Comprehensive income: 41,804 million yen [3.4%] (FY2025.3 1Q), 40,431 million yen [(21.1)%] (FY2024.3 1Q)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of June 30, 2024	973,318	708,908	72.8
As of March 31, 2024	971,838	699,823	72.0

(Reference) Equity: 708,578 million yen (as of June 30, 2024), 699,517 million yen (as of March 31, 2024)

2. Cash Dividends

	Annual cash dividends				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total
Fiscal Year Ended March 31, 2024	–	¥10.00	–	¥50.00	¥60.00
Fiscal Year Ending March 31, 2025	–				
Fiscal Year Ending March 31, 2025 (Projections)		¥11.00	–	¥11.00	¥22.00

(Note) Revision to the projections of cash dividends for the Fiscal Year Ending March 31, 2025: No
Concerning the projected amounts of the end of second quarter and year-end cash dividend for the fiscal year ending March 31, 2025, the base dividend is stated based on the Company's basic policy on the distribution of profits. The year-end cash dividend for the fiscal year ending March 31, 2025, will be considered by the Company based on the basic policy on the distribution of profits.

3. Consolidated Projections for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six Months Ending September 30, 2024	555,000	10.6	82,000	25.2	88,000	19.0	60,000	15.0	91.72
Full Fiscal Year	1,080,000	2.8	115,000	26.8	119,000	14.2	81,000	(20.2)	123.82

(Note) Revision to the projections: Yes
Consolidated projections for the six months ending September 30, 2024 (announced on May 9, 2024) are revised in this document. For details of the revisions to the consolidated projections, please refer to the section of "(3) Explanation Regarding Consolidated Projections and Other Forward-Looking Statements" of "1. Overview of Operating Results and Others" on page 3 of the attached material.

* Notes

- (1) Significant Changes in the Scope of Consolidation during the Period: No
- (2) Application of Special Accounting for Preparing the Quarterly Consolidated Financial Statements: Yes
(Note) For more details, please refer to the section of "(3) Notes to Consolidated Financial Statements, (Notes on Special Accounting for Preparing the Quarterly Consolidated Financial Statements)" of "2. Consolidated Financial Statements and Significant Notes" on page 12 of the attached material.
- (3) Changes in Accounting Policies, Changes in Accounting Estimation and Restatement
 - a) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b) Changes in accounting policies due to other reasons: No
 - c) Changes in accounting estimation: No
 - d) Restatement: No
 (Note) For more details, please refer to the section of "(3) Notes to Consolidated Financial Statements, (Notes on Changes in Accounting Policies)" of "2. Consolidated Financial Statements and Significant Notes" on page 12 of the attached material.
- (4) Number of Issued Shares (Common Shares)
 - a) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2024	660,000,000 shares
As of March 31, 2024	666,000,000 shares
 - b) Number of treasury shares at the end of the period

As of June 30, 2024	5,814,364 shares
As of March 31, 2024	11,813,756 shares
 - c) Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the First Quarter of the Fiscal Year Ending March 31, 2025	654,186,092 shares
For the First Quarter of the Fiscal Year Ended March 31, 2024	660,050,229 shares

* Review of the Japanese-language originals of the attached consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Explanation on appropriate use of the projections of business results, etc.

- Forward-Looking Statements:

This document contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication and those forward-looking statements do not purport to be a promise by the Company to achieve such results. A number of factors could cause actual results to differ materially from expectations. Please refer to the section of "(3) Explanation Regarding Consolidated Projections and Other Forward-Looking Statements" of "1. Overview of Operating Results and Others" on page 3 of the attached material for matters pertaining to the earnings projections.

- To Obtain Financial Highlights:

The Financial Highlights will be posted on the Company's website on August 8, 2024.

Attached Material

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1. Overview of Operating Results and Others

(1) Overview of Operating Results for the Period

During the first quarter (three months) of the fiscal year ending March 31, 2025, whereas employment and income improved in Japan, consumer spending was adversely affected by factors that include rising raw material and fuel prices along with escalating prices due to foreign exchange rate fluctuations. Meanwhile, uncertainties regarding the future persisted in Japan and overseas due to factors that include changes in the social situation and political landscape.

Under such circumstances, from April 2022, with the introduction of our Purpose, “Fun for All into the Future,” as the ultimate definition of the Group and the introduction of a new logo, the Bandai Namco Group began a new three-year Mid-term Plan. In the Mid-term Plan, in order to achieve the aims of the Bandai Namco Group for the medium to long term based on our Purpose, “Fun for All into the Future,” we have established a Mid-term Vision of “Connect with Fans” that aims to constantly meet the needs of global IP fans, a wide range of business partners, Group employees, and communities around the world and to foster broad, deep, and multifaceted connections. As priority strategies, we are promoting our IP axis strategy, personnel strategy, and sustainability. By propelling the priority strategies, we will take advantage of the worldview and unique characteristics of IP (Intellectual Property: meaning characters and other intellectual property) to further evolve the IP axis strategy that aims to maximize IP value through the provision of the optimal products and services at the optimal times. We will also strengthen the global development of the IP axis strategy and enhance our sense of unity and collective strength under the ALL BANDAI NAMCO concept in order to achieve continuous growth.

In the first quarter (three months), with the IP axis strategy at the core, the Group strengthened initiatives unified under the ALL BANDAI NAMCO concept through collaboration across regions and businesses. On the business side, *ELDEN RING SHADOW OF THE ERDTREE*, the major downloadable content of the home console game *ELDEN RING*, was a hit, contributing to the operating results in the Digital Business. Moreover, the Toys and Hobby Business, products for the mature fan base (adults), trading card games and other card products, capsule toys and other products continued to be popular around the world.

Consequently, the Group’s consolidated operating results for the first quarter (three months) were net sales of 280,627 million yen (year-on-year increase of 24.8%), operating profit of 44,023 million yen (year-on-year increase of 57.3%), ordinary profit of 49,072 million yen (year-on-year increase of 49.9%), and profit attributable to owners of parent of 34,050 million yen (year-on-year increase of 56.3%).

Operating results by segment are as follows.

Digital Business

As for the Digital Business, in network content, major app titles such as the *DRAGON BALL* series and *ONE PIECE* continued to show stable performance around the world due to ongoing measures for users, and a new app title, *THE IDOLM@STER Gakuen* got off to a strong start. In home console games, results were well-performed by worldwide success of *ELDEN RING SHADOW OF THE ERDTREE*, the major downloadable content of the home console game *ELDEN RING*. In the Digital Business, we will build a well-balanced and optimal title portfolio in looking toward the next Mid-term Plan, strengthen the development system, and aim to develop titles to meet the expectations of our fans with an emphasis on quality.

As a result, net sales in the Digital Business were 106,309 million yen (year-on-year increase of 56.2%), and segment profit was 14,731 million yen (year-on-year increase of 453.5%).

Toys and Hobby Business

As for the Toys and Hobby Business, we continued to perform well amid growing popularity of Japanese IP in the global market driven in part by proliferation of video streaming, due to efforts that have involved the expansion of our categories of business around the world, expanding touch points through real events and stores, and strengthening production operations. Specifically, products for the mature fan base such as model kits of the *Gundam series*, and collectible figures continued to perform favorably due to the successful outcomes produced by sales, marketing, and expansion of the product lineup. In addition, card products such as trading card games of *ONE PIECE* and the *DRAGON BALL* series, capsule toys, confectionery products, and food products contributed to business performance due to the expansion of product lineups, target groups, and regions of operation, as well as the strengthening of touch points with customers. In the Toys and Hobby Business, we keep advancing global business development as well as strengthening our production operations, sales networks, and other aspects that bolster expansion.

As a result, net sales in the Toys and Hobby Business were 132,815 million yen (year-on-year increase of 10.3%), and segment profit was 26,957 million yen (year-on-year increase of 14.1%).

IP Production Business

As for the IP Production Business, we worked toward increasing awareness of our IP by screening the theatrical production *Mobile Suit Gundam SEED FREEDOM* in more nations and regions, which led to favorable performance of the Group's products and services. The segment also achieved upbeat results from video streaming and its license business with *BLUELOCK*, which released new video works, as well as the *Gundam series*, the *LoveLive! series*, *IDOLiSH7*, and *That Time I Got Reincarnated as a Slime*. Moreover, sales associated with live events and related goods performed well accompanying mounting demand for live entertainment. Going forward, the IP Production Business continues to strengthen its creation of quality IP centered on the IP axis strategy through visual and musical media.

As a result, net sales in the IP Production Business were 17,503 million yen (year-on-year increase of 16.8%), and segment profit was 2,495 million yen (year-on-year increase of 135.6%).

Amusement Business

As for the Amusement Business, net sales for existing amusement facilities in Japan increased to 105.9% year on year. In addition, the development of stores unique to Bandai Namco based on collaboration with the Group's products and services, such as Bandai Namco Cross Stores and GASHAPON Department Stores, performed well in Japan and overseas. In arcade games, sales of the new *Wangan Midnight MAXIMUM TUNE 6RR PLUS* were strong, but differences in the product lineup compared to the same period of the previous year affected results. We further enhance the role of touch points that connect the Group's products and services with fans in the Amusement Business, while continuing our efforts to improve efficiency in consideration of changes in the external environment, such as rising fuel prices.

As a result, net sales in the Amusement Business were 33,027 million yen (year-on-year increase of 16.9%), and segment profit was 2,774 million yen (year-on-year decrease of 12.1%).

Other Businesses

Other Businesses consist of companies that conduct businesses such as logistics support and other kinds of administration and operational support for each of the Group companies. We have been making efforts to manage such operations related to Group support in an efficient manner.

Net sales in the Other Businesses were 8,307 million yen (year-on-year increase of 2.6%), and segment profit was 342 million yen (year-on-year decrease of 28.8%).

(2) Overview of Financial Position for the Period

At the end of the first quarter of the fiscal year ending March 31, 2025, total assets stood at 973,318 million yen, an increase of 1,480 million yen from the end of the previous fiscal year. The main factors were increases of 25,776 million yen in notes and accounts receivable - trade, and contract assets, and 7,586 million yen in property, plant and equipment, despite decreases of 27,805 million yen in cash and deposits mainly due to cash dividends paid, and 4,327 million yen in investment securities.

Total liabilities amounted to 264,410 million yen, a decrease of 7,604 million yen from the end of the previous fiscal year. The main factors were decreases of 6,472 million yen in income taxes payable, and 11,616 million yen in other current liabilities mainly due to a decrease in accounts payable - other, despite an increase of 12,922 million yen in notes and accounts payable - trade.

Total net assets stood at 708,908 million yen, an increase of 9,084 million yen from the end of the previous fiscal year. The main factors were increases of 1,331 million yen in retained earnings, 9,941 million yen in cancellation of treasury shares, and 10,225 million yen in foreign currency translation adjustment, despite decreases of 9,942 million yen in capital surplus and 3,401 million yen in valuation difference on available-for-sale securities.

As a result, the equity ratio became 72.8% compared with 72.0% at the end of the previous fiscal year.

(3) Explanation Regarding Consolidated Projections and Other Forward-Looking Statements

Looking ahead, the Group expects uncertainty to continue in various regions around the world. We also expect the changes in the environment surrounding us such as the market as well as customer lifestyles and preferences to become even more intense.

Under these circumstances, adapting to escalating competitiveness in global markets and diversification in lifestyles and preferences of customers, in line with our IP axis strategy, the Bandai Namco Group will enhance sense of unity and collective strength under the ALL BANDAI NAMCO concept, while utilizing the characteristics of each business. From April 2022, with the introduction of our Purpose, "Fun for All into the Future," as the ultimate definition of the Group and the introduction of the new logo, to maintain continuous growth over medium to long term for the aims under our Purpose, the three-year Mid-term Plan has started.

1) Formulation of Bandai Namco's Purpose, "Fun for All into the Future," and introduction of the new logo

From April 2022, we have established our new Purpose, "Fun for All into the Future," as the ultimate definition of the Group, conveying the reason for our existence, why we conduct our businesses and corporate activities, and the meaningfulness we derive from working at Bandai Namco Group. What we believe to be particularly important elements in our Purpose, "Fun for All into the Future," are the ideas of "Connecting and working together to create things" and we will achieve "Fun for All into the Future" by Bandai Namco Group and our fans connecting through dreams, fun and inspiration. Furthermore, the Group CEO's desire to promote "Fun for All into the Future" is expressed in the phrase, "Creating a world of smiles and happiness together," and we will spread this message together with Bandai Namco's Purpose.

<Bandai Namco's Purpose>

Fun for All into the Future

Bandai Namco exists to share dreams, fun and inspiration with people around the world.

Connecting people and societies in the enjoyment of uniquely entertaining products and services, we're working to create a brighter future for everyone.

In April 2022, we introduced the new logo, which expresses the spirit of our Purpose, "Fun for All into the Future." All companies with "Bandai Namco" in their names use this logo, and companies with and without "Bandai Namco" in their names display this new Group logo on all their products and services, in principle. This enables us to bring together the value of all our products, services, and labels under one logo, make the Group's sense of unity and its total capabilities appeal strongly, and elevate the brand value of the Bandai Namco Group in the global market.

<New logo>



2) Our aims driven by our Purpose "Fun for All into the Future"

In accordance with the Purpose, "Fun for All into the Future," the Bandai Namco Group aims to connect with IP fans, a wide range of business partners, Group employees, and communities around the world. We strive to connect more broadly with new fans and more deeply with current fans. In addition, we aim to foster multifaceted connections among current fans and new fans as well as communities of fans. In fostering connections with and among various fans, our highest priority is the quality of the connections. Under the Mid-term Plan, we advance a variety of strategies and initiatives focusing on broad, deep, and multifaceted connections with fans and on the quality of those connections.

3) Mid-term Vision

Connect with Fans

In order to achieve the aims of the Bandai Namco Group based on our Purpose, “Fun for All into the Future,” under the Mid-term Plan, we strive to constantly meet the needs of global IP fans, a wide range of business partners, Group employees, and communities around the world and to foster broad, deep, and multifaceted connections.

4) Main strategies and investment plan

IP axis strategy

The IP axis strategy, which is the Bandai Namco Group’s strength, is the core of the Mid-term Plan.

We aim for sustainable growth by implementing new initiatives to foster broad, deep, and multifaceted connections with fans around the world; by accelerating evolution in the IP axis strategy; and by working to build businesses as we work together under the ALL BANDAI NAMCO concept in regions around the world.

- IP x Fans (connecting with fans through IP): New framework for connecting with fans

Based on the IP axis, Bandai Namco develops an IP Metaverse as a new framework for connecting with fans. In this IP Metaverse, we are anticipating virtual spaces that will enable customers to enjoy a wide range of entertainment surrounding IP, as well as frameworks that leverage Bandai Namco’s distinctive strengths to fuse physical products and venues with digital elements. We are aiming for open frameworks that provide venues for connections with and among fans and business partners. Through the IP Metaverse, we establish communities among Bandai Namco and fans, as well as among fans themselves. Through these communities and content, we build broad, deep, multifaceted connections that continue for long periods of time, and we focus on the quality of those connections. In this way, we work to maximize IP value over the medium to long term.

- IP x Value (enhancing IP value): Accelerating evolution in the IP axis strategy

We leverage outlets for a wide range of products and services as well as our strengths in facilitating collaboration among physical and digital elements, and we redefine the optimal IP axis strategy for IP fans and for IP itself. In these ways, we aim to accelerate evolution in the IP axis strategy.

- IP x World (connecting the world through IP): Building businesses under the ALL BANDAI NAMCO concept

To work together and advance our strategies under the ALL BANDAI NAMCO concept in regions worldwide, we implemented such initiatives as organizational restructuring and base consolidation around the world. Under this ALL BANDAI NAMCO concept, we work to build businesses in each region.

- Investment plan for accelerating evolution in the IP axis strategy

Over the three years of the Mid-term Plan, we are implementing a total of 40.0 billion yen in strategic investment to accelerate evolution in the IP axis strategy.

Strategic investment to maximize IP value: 25.0 billion yen

Investment to develop the IP Metaverse: 15.0 billion yen

Personnel strategy: Developing diverse human resources

In accordance with our Purpose, “Fun for All into the Future,” the Group strives to be a corporate group with “Same Spirit, Diverse Talents,” where diverse people with different skills, individual characteristics and values can thrive. We further focus on recruiting and promoting individuals regardless of whether they are new graduates or mid-career hires and regardless of gender, age, nationality, race, religion, sexual orientation, or other personal characteristics. In addition, we focus on developing various systems and environments that enable a diverse array of people to thrive and work in a way that is both physically and mentally healthy. Under the Mid-term Plan, we promote initiatives such as those that support challenges taken on by employees and that develop human resources who promote the IP axis strategy on a global scale, while at the same time promoting measures for new and diverse ways to work. In addition, we will actively promote collaboration and cooperation with people outside the Company.

Sustainability: Connecting to smiles into the future

Under the “Purpose, ‘Fun for All into the Future,’” and “Bandai Namco Group Sustainability Policy,” the Group has identified five themes that particularly require focused efforts as material issues. We are promoting various specific action plans linked to our businesses, such as initiatives to eliminate petroleum-derived plastics and the collection and recycling of model kits runners* and empty capsules. Furthermore, in order to address the problems

related to the natural environment that society is faced with, we have set targets for the reduction of CO₂ emissions from the use of energy as well as steps to achieve them and strive to advance our efforts for decarbonization.

* Runners: Disposable frames that hold parts of plastic models

<Bandai Namco Group's Sustainability Policy>

Based on the IP axis strategy, the Bandai Namco Group works together with fans to advance sustainability activities that focus on the social issues that the Group should address.

<Material Issues that Bandai Namco Group has identified>

- Harmonious coexistence with the natural environment
- Provision of appropriate products and services
- Appropriate utilization and protection of intellectual property
- Establishment of work environments that facilitate mutual respect
- Harmonious coexistence with communities

In addition, on November 1, 2023, the Bandai Namco Group Human Rights Policy was established, which clearly stipulates the Bandai Namco Group's policy regarding respect for human rights. Going forward, we will fulfill our responsibility to respect the human rights of all stakeholders involved in the Group's business activities by aiming to continue to create a brighter future with people around the world through entertainment that awakens our humanity and connects us with others, with society, and with the world, as represented by Bandai Namco's Purpose "Fun for All into the Future."

5) System for promotion of the Mid-term Plan

- Strengthening the governance system of Bandai Namco Holdings

The Company transitioned to a company with an audit and supervisory committee, in order to strengthen its corporate governance system and further enhance corporate value through speedy decision-making and business execution.

- Partial changes of the Unit structure

From April 2022, we restructured the IP Production Unit and also integrated the Visual and Music Business and the Creation Business into the IP Production Business. In the IP Production Unit, Bandai Namco Filmworks Inc. serves as a business management company upon having combined three companies that engage in the visual business within the IP Production Unit, namely SUNRISE INC., the visual business of Bandai Namco Arts Inc., and Bandai Namco Rights Marketing Inc.

6) Numerical targets in the Mid-term Plan

- Fiscal year ending March 31, 2025: Numerical targets

Consolidated net sales:	1,100.0 billion yen
Consolidated operating profit:	125.0 billion yen
ROE:	12% or more

* The numerical targets (consolidated net sales and consolidated operating profit) for the fiscal year ending March 31, 2025 have been revised as shown in the consolidated projections for the fiscal year ending March 31, 2025 in this report.

In the future, the Bandai Namco Group aims to constantly meet the needs of global IP fans, a wide range of business partners, Group employees, and communities around the world and to foster broad, deep, multifaceted connection, and each business around the world will further work as one under the ALL BANDAI NAMCO concept on the priority strategies, consisting of the IP axis strategy, Personnel strategy, and Sustainability, under the Mid-term Plan.

For the consolidated projections for the second quarter (six months) of the fiscal year ending March 31, 2025, net sales and operating profit in the consolidated projections announced on May 9, 2024 have been revised in light of the significant progress seen in the actual results due to strong performance for each business for the first quarter (three months) of the fiscal year ending March 31, 2025, the current trends of its businesses, and the marketing plans of the

products and services in the second quarter, etc. As part of these changes, projections in ordinary profit and profit attributable to owners of parent also have been revised as stated in the table below.

Furthermore, the consolidated projections for the full fiscal year ending March 31, 2025 have not been reviewed. The full-year consolidated projections will be carefully examined based on changes in the market environment and the preferences of fans around the world, and the market trends such as the increasingly competitive environment, as well as in consideration of sales trends for major home console game title planned in the third quarter and thereafter, trends for the Christmas and New Year selling season and other factors.

Revisions to consolidated projections for the second quarter (six months) of the fiscal year ending March 31, 2025 (April 1, 2024 to September 30, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous projections (A)	515,000	55,000	57,500	40,000	61.14
Revised projections (B)	555,000	82,000	88,000	60,000	91.72
Change in amount (B-A)	40,000	27,000	30,500	20,000	-
Change (%)	7.8	49.1	53.0	50.0	-
(Reference) Results for the second quarter (six months) of the previous fiscal year (The second quarter (six months) of the fiscal year ended March 31, 2024)	502,002	65,479	73,931	52,167	79.03

2. Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

(¥ million)

	Prior Fiscal Year (As of March 31, 2024)	Current 1st Quarter (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	321,868	294,062
Notes and accounts receivable - trade, and contract assets	118,190	143,966
Merchandise and finished goods	40,170	43,592
Work in process	92,665	89,482
Raw materials and supplies	7,761	8,042
Other	63,042	61,509
Allowance for doubtful accounts	(1,075)	(1,230)
Total current assets	642,622	639,426
Non-current assets		
Property, plant and equipment	118,636	126,222
Intangible assets		
Goodwill	11,608	12,447
Other	20,568	20,942
Total intangible assets	32,176	33,390
Investments and other assets		
Investment securities	116,127	111,800
Other	63,019	63,260
Allowance for doubtful accounts	(744)	(781)
Total investments and other assets	178,403	174,279
Total non-current assets	329,215	333,892
Total assets	971,838	973,318

(¥ million)

	Prior Fiscal Year (As of March 31, 2024)	Current 1st Quarter (As of June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	99,254	112,176
Income taxes payable	23,192	16,720
Provisions	3,095	795
Other	118,577	106,960
Total current liabilities	244,119	236,653
Non-current liabilities		
Retirement benefit liability	4,925	4,848
Other	22,969	22,908
Total non-current liabilities	27,895	27,757
Total liabilities	272,014	264,410
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	53,321	43,379
Retained earnings	579,417	580,748
Treasury shares	(19,293)	(9,351)
Total shareholders' equity	623,445	624,776
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49,262	45,861
Deferred gains or losses on hedges	1,022	1,885
Revaluation reserve for land	(4,016)	(4,016)
Foreign currency translation adjustment	29,637	39,862
Remeasurements of defined benefit plans	166	209
Total accumulated other comprehensive income	76,071	83,801
Non-controlling interests	306	330
Total net assets	699,823	708,908
Total liabilities and net assets	971,838	973,318

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Operations)

(¥ million)

	Prior 1st Quarter (From April 1, 2023 to June 30, 2023)	Current 1st Quarter (From April 1, 2024 to June 30, 2024)
Net sales	224,812	280,627
Cost of sales	135,454	170,495
Gross profit	89,357	110,132
Selling, general and administrative expenses	61,368	66,108
Operating profit	27,989	44,023
Non-operating income		
Share of profit of entities accounted for using equity method	540	1,335
Foreign exchange gains	2,111	2,082
Other	2,479	1,791
Total non-operating income	5,131	5,208
Non-operating expenses		
Interest expenses	68	95
Loss on valuation of derivatives	297	-
Other	21	64
Total non-operating expenses	387	160
Ordinary profit	32,733	49,072
Extraordinary income		
Gain on sale of non-current assets	19	96
Gain on liquidation of subsidiaries and associates	-	86
Other	22	99
Total extraordinary income	41	281
Extraordinary losses		
Impairment losses	18	59
Loss on valuation of investment securities	291	157
Other	83	63
Total extraordinary losses	393	280
Profit before income taxes	32,382	49,073
Income taxes	10,591	14,998
Profit	21,791	34,075
Profit attributable to non-controlling interests	4	24
Profit attributable to owners of parent	21,786	34,050

(Consolidated Statements of Comprehensive Income)

(¥ million)

	Prior 1st Quarter (From April 1, 2023 to June 30, 2023)	Current 1st Quarter (From April 1, 2024 to June 30, 2024)
Profit	21,791	34,075
Other comprehensive income		
Valuation difference on available-for-sale securities	3,762	(3,440)
Deferred gains or losses on hedges	2,693	858
Foreign currency translation adjustment	12,015	10,225
Remeasurements of defined benefit plans, net of tax	94	43
Share of other comprehensive income of entities accounted for using equity method	73	42
Total other comprehensive income	18,640	7,729
Comprehensive income	40,431	41,804
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	40,424	41,780
Comprehensive income attributable to non-controlling interests	6	24

(3) Notes to Consolidated Financial Statements

(Notes on Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes and other relevant ASBJ regulations)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Implementation Guidance of 2022”). This has no impact on the quarterly consolidated financial statements.

Furthermore, the Company has applied the Revised Implementation Guidance of 2022 from the beginning of the first quarter of the fiscal year ending March 31, 2025, with respect to revisions associated with review of the treatment in the consolidated financial statements when deferring tax on gains or losses arising from the sale of subsidiary shares, etc. between consolidated companies. The change in the accounting policy has been applied retrospectively. Therefore, the new accounting policy was reflected in the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year. This has no impact on the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year.

(Notes on Special Accounting for Preparing the Quarterly Consolidated Financial Statements)

(Calculation of taxes)

Taxes are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against profit before income taxes for the fiscal year including the current first quarter, and next by multiplying the profit before income taxes by such estimated effective tax rate.

(Notes on Segment Information, Etc.)

I Prior 1st Quarter (From April 1, 2023 to June 30, 2023)

1. Information regarding the amounts of net sales and profit/loss by reportable segment

(¥ million)

	Reportable segments					Other (Note 1)	Total	Adjust- ments (Note 2)	Consoli- dated Total (Note 3)
	Digital Business	Toys and Hobby Business	IP Produc- tion Business	Amuse- ment Business	Subtotal				
Net sales									
To external customers	66,799	115,872	12,477	28,209	223,358	1,453	224,812	-	224,812
Inter-segment sales and transfers	1,240	4,500	2,514	31	8,287	6,645	14,932	(14,932)	-
Total	68,040	120,372	14,992	28,240	231,646	8,098	239,745	(14,932)	224,812
Segment profit	2,661	23,629	1,058	3,157	30,508	481	30,989	(3,000)	27,989

- Notes: 1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services for each of the Group companies are classified.
2. Included in the 3,000 million yen deducted from segment profit as adjustment are a deduction of 218 million yen in inter-segment eliminations, and a deduction of 2,781 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administration division that has not been attributed to a reportable segment.
3. Segment profit is adjusted with operating profit in the consolidated statements of operations.

2. Information regarding impairment losses of non-current assets and goodwill by reportable segment

(Material impairment losses of non-current assets)

Not applicable.

(Material changes in the amount of goodwill)

Not applicable.

(Material gains on negative goodwill)

Not applicable.

II Current 1st Quarter (From April 1, 2024 to June 30, 2024)

1. Information regarding the amounts of net sales and profit/loss by reportable segment

(¥ million)

	Reportable segments					Other (Note 1)	Total	Adjust- ments (Note 2)	Consoli- dated Total (Note 3)
	Digital Business	Toys and Hobby Business	IP Produc- tion Business	Amuse- ment Business	Subtotal				
Net sales									
To external customers	105,127	127,278	14,884	31,651	278,941	1,686	280,627	-	280,627
Inter-segment sales and transfers	1,181	5,537	2,619	1,375	10,713	6,621	17,335	(17,335)	-
Total	106,309	132,815	17,503	33,027	289,655	8,307	297,963	(17,335)	280,627
Segment profit	14,731	26,957	2,495	2,774	46,958	342	47,301	(3,277)	44,023

- Notes: 1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services for each of the Group companies are classified.
2. Included in the 3,277 million yen deducted from segment profit as adjustment are a deduction of 252 million yen in inter-segment eliminations, and a deduction of 3,025 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administration division that has not been attributed to a reportable segment.
3. Segment profit is adjusted with operating profit in the consolidated statements of operations.

2. Information regarding impairment losses of non-current assets and goodwill by reportable segment

(Material impairment losses of non-current assets)

Not applicable.

(Material changes in the amount of goodwill)

Not applicable.

(Material gains on negative goodwill)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

The Company canceled 6,000,000 treasury shares on May 21, 2024, per resolution at its Board of Directors meeting held on May 9, 2024. As a result, capital surplus and treasury shares stood at 43,379 million yen and 9,351 million yen, respectively, at the end of the first quarter of the fiscal year ending March 31, 2025, with capital surplus and treasury shares each having decreased by 9,942 million yen during the first quarter (three months) of the fiscal year ending March 31, 2025.

(Notes on Premise of Going Concern)

Not applicable.

(Notes on Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first quarter (three months) of the fiscal year ending March 31, 2025 is not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter (three months) of the fiscal year ending March 31, 2025 are as follows.

	(¥ million)	
	Prior 1st Quarter (From April 1, 2023 to June 30, 2023)	Current 1st Quarter (From April 1, 2024 to June 30, 2024)
Depreciation	6,479	7,457
Amortization of goodwill	684	666

(Notes on Significant Subsequent Events)

(Disposal of Treasury Shares as Share Compensation)

The Company has disposed of treasury shares as share compensation (the “Disposal of Treasury Shares”) as follows, per resolution at its Board of Directors meeting held on June 24, 2024.

1. Overview of disposal

(1) Date of disposal	July 12, 2024
(2) Class and number of shares disposed	Common shares of the Company 81,300 shares
(3) Disposal value	3,027 yen per share
(4) Total disposal value	246 million yen
(5) Method of offering or disposal	Share compensation allotment method
(6) Individuals eligible for allotment, number of eligible individuals, number of shares to be allotted	Directors of the Company ¹ 3 individuals 16,000 shares Directors of subsidiaries of the Company ² 30 individuals 65,300 shares
(7) Other	The taking effect of the securities registration statement filed in accordance with the Financial Instruments and Exchange Act is a condition for the Disposal of Treasury Shares

*1 Directors of the Company (excluding Directors who serve concurrently as President and Representative Director of Bandai Namco Entertainment Inc., BANDAI CO., LTD., Bandai Namco Filmworks Inc., Bandai Namco Amusement Inc., and Bandai Namco Business Arc Inc.; Director who are Audit & Supervisory Committee Members, and; Outside Directors)

*2 Directors (excluding Non-executive Directors) of Bandai Namco Entertainment Inc., BANDAI CO., LTD., Bandai Namco Filmworks Inc., Bandai Namco Amusement Inc., BANDAI SPIRITS CO., LTD., Bandai Namco Music Live Inc., and Bandai Namco Business Arc Inc.

2. Objective of and reason for the disposal

As performance-based compensation related to the previous fiscal year, monetary compensation claims from the Company and subsidiaries are granted to the Directors of the Company and its subsidiaries who are the designated allottees (“Eligible Directors”). The Eligible Directors pay in the monetary compensation claims as property contributed in kind to receive delivery of the Company’s common shares.

Independent Auditor’s Report on Review of Interim Consolidated Financial Statements

August 8, 2024

To the Board of Directors of Bandai Namco Holdings Inc.:

KPMG AZSA LLC

Tokyo Office, Japan

Michiaki Yamabe
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yasuko Kawamata
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kenta Kurosu
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Conclusion

We have reviewed the accompanying interim consolidated financial statements of Bandai Namco Holdings Inc. (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”) provided in the “Attached Documents” in the Quarterly Earning Reports, which comprise the interim consolidated balance sheet as at June 30, 2024, the interim consolidated statements of income and comprehensive income for the three-month period then ended, and the related notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with Article 4 (1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (“the Standard”) (applying the omissions prescribed in Article 4 (2) of the Standard) and accounting standard for quarterly financial reporting generally accepted in Japan.

Basis for Conclusion

We conducted our review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Review of the Interim Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the interim consolidated financial statements in Japan, and we have fulfilled our other

ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management, the Audit and Supervisory Committee for the Interim Consolidated Financial Statements

Management is responsible for the preparation and presentation of the interim consolidated financial statements in accordance with Article 4 (1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4 (2) of the Standard) and accounting standard for quarterly financial reporting generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with Article 4 (1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4 (2) of the Standard) and accounting standard for quarterly financial reporting generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Review of the Interim Consolidated Financial Statements

Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review in our report on the review of interim consolidated financial statements.

As part of our review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, that nothing has come to our attention that causes us to believe that the interim consolidated financial statements are not prepared in accordance with Article 4 (1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4 (2) of the Standard) and accounting standard for quarterly financial reporting generally accepted in Japan, if a material uncertainty relating to events or conditions comes to our attention that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report on the review of interim consolidated financial statements to the related disclosures

in the interim consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our report on the review of interim consolidated financial statements; however, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate that nothing has come to our attention that causes us to believe that the presentation and disclosures in the interim consolidated financial statements are not prepared in accordance with Article 4 (1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4 (2) of the Standard) and accounting standard for quarterly financial reporting generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the interim consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our review conclusion.

We communicate with the audit and supervisory committee regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report on Review:

The Independent Auditor's Report on Review herein is the English translation of the original Independent Auditor's Report on Review for the conveniences of the reader.