

Bandai Namco Holdings Inc.

Consolidated Financial Report for the Third Quarter (Nine Months) of the Fiscal Year Ending March 31, 2025

February 5, 2025

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/>)

February 5, 2025

**Consolidated Financial Report for the Third Quarter (Nine Months) 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 Third Quarter (Nine Months) of the Fiscal Year Ending March 31, 2025
(April 1, 2024 to December 31, 2024)****(1) Consolidated Operating Results (For the Nine Months Ended December 31, 2024)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit	
	¥ million	%	¥ million	%	¥ million	%
Third Quarter (Nine Months) of the Fiscal Year Ending March 31, 2025	955,663	23.8	179,233	129.0	185,413	106.9
Third Quarter (Nine Months) of the Fiscal Year Ended March 31, 2024	772,035	3.9	78,282	(26.3)	89,630	(23.4)

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	¥ million	%	¥	¥
Third Quarter (Nine Months) of the Fiscal Year Ending March 31, 2025	128,699	113.1	196.72	–
Third Quarter (Nine Months) of the Fiscal Year Ended March 31, 2024	60,398	(28.5)	91.49	–

(Note) Comprehensive income: 165,241 million yen [77.5%] (FY2025.3 3Q), 93,090 million yen [(11.3)%] (FY2024.3 3Q)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of December 31, 2024	1,127,592	825,391	73.2
As of March 31, 2024	971,838	699,823	72.0

(Reference) Equity: 824,910 million yen (as of December 31, 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	–	¥11.00	–		
Fiscal Year Ending March 31, 2025 (Projections)				¥60.00	¥71.00

(Note) Revision to the projections of cash dividends for the Fiscal Year Ending March 31, 2025: Yes
For details of the revision to the projections of cash dividends, please refer to “Notice Regarding Revisions to Consolidated Projections and Projections of Cash Dividends for the Fiscal Year Ending March 31, 2025” announced today (February 5, 2025).

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		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full Fiscal Year	1,230,000	17.1	180,000	98.5	187,000	79.5	128,000	26.1	195.65

(Note) Revision to the projections: Yes
Consolidated projections for the full fiscal year ending March 31, 2025 (announced on October 23, 2024) are revised in this document. For details of the revisions to the consolidated projections, please refer to “Notice Regarding Revisions to Consolidated Projections and Projections of Cash Dividends for the Fiscal Year Ending March 31, 2025” announced today (February 5, 2025).

* 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 9 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 9 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 December 31, 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 December 31, 2024 5,735,622 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 Third Quarter (Nine Months) of the Fiscal Year Ending March 31, 2025 654,233,563 shares

For the Third Quarter (Nine Months) of the Fiscal Year Ended March 31, 2024 660,131,861 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 February 5, 2025.

Attached Material

Index

1. Overview of Operating Results and Others	2
(1) Overview of Operating Results for the Period	2
(2) Overview of Financial Position for the Period	3
(3) Explanation Regarding Consolidated Projections and Other Forward-Looking Statements.....	3
2. Consolidated Financial Statements and Significant Notes	5
(1) Consolidated Balance Sheets.....	5
(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income	7
(Consolidated Statements of Operations)	7
(Consolidated Statements of Comprehensive Income).....	8
(3) Notes to Consolidated Financial Statements	9
(Notes on Changes in Accounting Policies).....	9
(Notes on Special Accounting for Preparing the Quarterly Consolidated Financial Statements)	9
(Notes on Segment Information, Etc.).....	10
(Notes on Significant Changes in the Amount of Shareholders' Equity).....	11
(Notes on Premise of Going Concern)	11
(Notes on Quarterly Consolidated Statements of Cash Flows)	12
(Notes on Significant Subsequent Events).....	12
Independent Auditor's Report on Review of Interim Consolidated Financial Statements.....	15

1. Overview of Operating Results and Others

(1) Overview of Operating Results for the Period

During the third quarter (nine 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 are also strengthening the global business development of the IP axis strategy and enhancing our sense of unity and collective strength under the ALL BANDAI NAMCO concept in order to achieve continuous growth.

In the third quarter (nine 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, there was significant performance growth in the Digital Business and the Toys and Hobby Business, mainly due to the hit successes of some highly profitable products and services. Also, the IP Production Business and the Amusement Business performed well. As a result, all businesses achieved year-on-year increases in both revenue and profit.

Consequently, the Group’s consolidated operating results for the third quarter (nine months) were net sales of 955,663 million yen (year-on-year increase of 23.8%), operating profit of 179,233 million yen (year-on-year increase of 129.0%), ordinary profit of 185,413 million yen (year-on-year increase of 106.9%), and profit attributable to owners of parent of 128,699 million yen (year-on-year increase of 113.1%).

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 showed strong performance owing to the worldwide success of *ELDEN RING SHADOW OF THE ERDTREE*, the major downloadable content *ELDEN RING*, and *DRAGON BALL Sparking! ZERO*, a new title, as well as strong repeat sales of *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 357,023 million yen (year-on-year increase of 35.7%), and segment profit was 70,597 million yen (year-on-year increase of 4,271.2%).

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 (adults) 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 464,187 million yen (year-on-year increase of 19.0%), and segment profit was 97,618 million yen (year-on-year increase of 40.0%).

IP Production Business

As for the IP Production Business, box-office revenue for *Mobile Suit Gundam SEED FREEDOM*, which was the top-selling movie among all the *Gundam* series theatrical releases, and a new theatrical work of *BLUELOCK* contributed to business performance. The segment also achieved upbeat results from global business development, video streaming and its license business with the *Gundam* series and *BLUELOCK*, as well as the *LoveLive!* series and *That Time I Got Reincarnated as a Slime*. Moreover, sales associated with live events and related visual products 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 60,973 million yen (year-on-year increase of 9.7%), and segment profit was 9,424 million yen (year-on-year increase of 38.6%).

Amusement Business

As for the Amusement Business, net sales for existing amusement facilities in Japan increased to 106.9% year on year. In addition, 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, and other activity facilities performed well. In arcade games, sales associated with new products and standard machines remained stable. 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 104,764 million yen (year-on-year increase of 18.6%), and segment profit was 8,141 million yen (year-on-year increase of 7.7%).

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 27,262 million yen (year-on-year increase of 11.0%), and segment profit was 2,097 million yen (year-on-year increase of 65.4%).

(2) Overview of Financial Position for the Period

At the end of the third quarter of the fiscal year ending March 31, 2025, total assets stood at 1,127,592 million yen, an increase of 155,754 million yen from the end of the previous fiscal year. The main factors were increases of 73,495 million yen in cash and deposits, 39,541 million yen in notes and accounts receivable - trade, and contract assets, 14,580 million yen in property, plant and equipment, and 46,872 million yen in investment securities.

Total liabilities amounted to 302,201 million yen, an increase of 30,186 million yen from the end of the previous fiscal year. The main factors were increases of 8,188 million yen in notes and accounts payable - trade and 13,873 million yen in income taxes payable.

Total net assets stood at 825,391 million yen, an increase of 125,567 million yen from the end of the previous fiscal year. The main factors were increases of 88,781 million yen in retained earnings and 29,952 million yen in valuation difference on available-for-sale securities. Capital surplus and treasury shares each decreased by 9,942 million yen due to cancellation of treasury shares.

As a result, the equity ratio became 73.2% compared with 72.0% at the end of the previous fiscal year.

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

For the consolidated projections for the fiscal year ending March 31, 2025, the projections announced on October 23, 2024 have been revised in light of the actual results for the third quarter (nine months) performing well, along with the current market environment and business trends, and the plans for products and services, and marketing of each business in the fourth quarter, etc.

Based on the revisions to consolidated projections for the fiscal year, the projections of annual cash dividends per share for the fiscal year ending March 31, 2025 have been revised to a total of 71 yen per share, which consists of a base dividend of 22 yen share and a performance-based dividend of 49 yen per share. Since the Company paid an interim dividend of 11 yen per share on December 10, 2024, the projection of the fiscal year-end cash dividend is 60 yen per share.

For details, please refer to "Notice Regarding Revisions to Consolidated Projections and Projections of Cash Dividends for the Fiscal Year Ending March 31, 2025" announced today (February 5, 2025).

Looking ahead, the Group expects that, while the popularity of Japanese IP will continue to grow in various regions around the world, the changes in the market as well as customer lifestyles and preferences will become even more intense.

With the start of the new Mid-term Plan in April 2025, the Group will be continuing to strengthen the IP axis strategy in the global markets with the aim of achieving sustainable growth in the medium to long term. In the Mid-term Plan, in accordance with our Purpose “Fun for All into the Future” and Mid- to Long-term Vision “Connect with Fans,” the Group will connect with IP fans, a wide range of business partners, Group employees, and communities around the world to promote various initiatives to maximize IP value, while working to build a stronger management foundation for growth. Through promoting such initiatives, the Group aims to improve corporate value and generate long-term profits.

For details, please refer to “Formulation of the Bandai Namco Group’s New Mid-term Plan” announced today (February 5, 2025).

Revisions to consolidated projections for the fiscal year ending March 31, 2025
(April 1, 2024 to March 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous projections (A)	1,150,000	160,000	163,000	110,000	168.13
Revised projections (B)	1,230,000	180,000	187,000	128,000	195.65
Change in amount (B-A)	80,000	20,000	24,000	18,000	-
Change (%)	7.0	12.5	14.7	16.4	-
(Reference) Results for the previous fiscal year (The fiscal year ended March 31, 2024)	1,050,210	90,682	104,164	101,493	153.85

2. Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

(¥ million)

	Prior Fiscal Year (As of March 31, 2024)	Current 3rd Quarter (As of December 31, 2024)
Assets		
Current assets		
Cash and deposits	321,868	395,363
Notes and accounts receivable - trade, and contract assets	118,190	157,732
Merchandise and finished goods	40,170	47,105
Work in process	92,665	81,133
Raw materials and supplies	7,761	8,971
Other	63,042	62,439
Allowance for doubtful accounts	(1,075)	(1,101)
Total current assets	642,622	751,643
Non-current assets		
Property, plant and equipment	118,636	133,217
Intangible assets	32,176	31,230
Investments and other assets		
Investment securities	116,127	163,000
Other	63,019	49,737
Allowance for doubtful accounts	(744)	(1,237)
Total investments and other assets	178,403	211,501
Total non-current assets	329,215	375,949
Total assets	971,838	1,127,592

(¥ million)

	Prior Fiscal Year (As of March 31, 2024)	Current 3rd Quarter (As of December 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	99,254	107,442
Income taxes payable	23,192	37,065
Provisions	3,095	1,763
Other	118,577	125,661
Total current liabilities	244,119	271,933
Non-current liabilities		
Retirement benefit liability	4,925	4,758
Other	22,969	25,508
Total non-current liabilities	27,895	30,267
Total liabilities	272,014	302,201
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	53,321	43,491
Retained earnings	579,417	668,198
Treasury shares	(19,293)	(9,218)
Total shareholders' equity	623,445	712,471
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49,262	79,215
Deferred gains or losses on hedges	1,022	1,327
Revaluation reserve for land	(4,016)	(4,016)
Foreign currency translation adjustment	29,637	35,624
Remeasurements of defined benefit plans	166	289
Total accumulated other comprehensive income	76,071	112,439
Non-controlling interests	306	480
Total net assets	699,823	825,391
Total liabilities and net assets	971,838	1,127,592

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

(¥ million)

	Prior 3rd Quarter (From April 1, 2023 to December 31, 2023)	Current 3rd Quarter (From April 1, 2024 to December 31, 2024)
Net sales	772,035	955,663
Cost of sales	489,222	560,124
Gross profit	282,813	395,538
Selling, general and administrative expenses	204,531	216,305
Operating profit	78,282	179,233
Non-operating income		
Interest income	1,939	2,520
Share of profit of entities accounted for using equity method	1,697	2,379
Other	7,973	2,891
Total non-operating income	11,610	7,791
Non-operating expenses		
Penalty	-	884
Other	261	726
Total non-operating expenses	261	1,611
Ordinary profit	89,630	185,413
Extraordinary income		
Gain on sale of non-current assets	36	441
Gain on sale of investment securities	65	247
Compensation income	508	-
Other	42	169
Total extraordinary income	652	858
Extraordinary losses		
Impairment losses	610	740
Provision for loss on land remediation	550	-
Other	575	730
Total extraordinary losses	1,735	1,471
Profit before income taxes	88,547	184,801
Income taxes	27,994	55,922
Profit	60,552	128,878
Profit attributable to non-controlling interests	154	178
Profit attributable to owners of parent	60,398	128,699

(Consolidated Statements of Comprehensive Income)

(¥ million)

	Prior 3rd Quarter (From April 1, 2023 to December 31, 2023)	Current 3rd Quarter (From April 1, 2024 to December 31, 2024)
Profit	60,552	128,878
Other comprehensive income		
Valuation difference on available-for-sale securities	20,534	29,862
Deferred gains or losses on hedges	155	302
Foreign currency translation adjustment	11,436	5,982
Remeasurements of defined benefit plans, net of tax	275	123
Share of other comprehensive income of entities accounted for using equity method	135	91
Total other comprehensive income	32,537	36,362
Comprehensive income	93,090	165,241
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	92,934	165,066
Comprehensive income attributable to non-controlling interests	155	174

(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.

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, 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 third quarter, and next by multiplying the profit before income taxes by such estimated effective tax rate.

(Notes on Segment Information, Etc.)

I Prior 3rd Quarter (From April 1, 2023 to December 31, 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	258,225	376,277	45,597	87,542	767,643	4,392	772,035	-	772,035
Inter-segment sales and transfers	4,786	13,935	9,987	768	29,478	20,178	49,657	(49,657)	-
Total	263,012	390,212	55,585	88,310	797,121	24,571	821,693	(49,657)	772,035
Segment profit	1,615	69,717	6,801	7,560	85,694	1,268	86,963	(8,681)	78,282

- 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 8,681 million yen deducted from segment profit as adjustment are an addition of 31 million yen in inter-segment eliminations, and a deduction of 8,712 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 3rd Quarter (From April 1, 2024 to December 31, 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	353,489	447,254	51,653	98,141	950,539	5,123	955,663	-	955,663
Inter-segment sales and transfers	3,533	16,932	9,319	6,622	36,408	22,138	58,547	(58,547)	-
Total	357,023	464,187	60,973	104,764	986,948	27,262	1,014,210	(58,547)	955,663
Segment profit	70,597	97,618	9,424	8,141	185,782	2,097	187,879	(8,645)	179,233

- 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 8,645 million yen deducted from segment profit as adjustment are an addition of 109 million yen in inter-segment eliminations, and a deduction of 8,754 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 the Board of Directors meeting held on May 9, 2024. As a result, capital surplus and treasury shares stood at 43,491 million yen and 9,218 million yen, respectively, at the end of the third 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 third quarter (nine 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 third quarter (nine 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 third quarter (nine months) of the fiscal year ended March 31, 2024 and the fiscal year ending March 31, 2025 are as follows.

		(¥ million)
	Prior 3rd Quarter (From April 1, 2023 to December 31, 2023)	Current 3rd Quarter (From April 1, 2024 to December 31, 2024)
Depreciation	27,225	27,773
Amortization of goodwill	2,067	1,996

(Notes on Significant Subsequent Events)

(Purchase of treasury shares)

At the Board of Directors meeting held on February 5, 2025, the Company approved a resolution on matters relating to the purchase of treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied by replacing the relevant terms pursuant to the provision of Article 165, paragraph (3) of the said Act.

1. Objective of acquiring treasury shares

The Group recognizes that improving capital efficiency and strengthening its financial structure are important management issues in order to improve corporate value over the medium to long term. Ahead of starting the new Mid-term Plan in April 2025, the Company has decided to make certain changes to its basic policy for shareholder returns, taking into consideration various perspectives based on the next Mid-term Plan's strategies and policies relating to management matters. In conjunction with this change, after consideration in accordance with the new basic policy for shareholder returns, the Company has decided to also acquire treasury shares in the fiscal year ending March 31, 2025.

2. Details of the acquisition

- | | |
|---|--|
| (1) Class of shares to be acquired | Common shares |
| (2) Total number of shares to be acquired | Up to 8,000,000 shares
(1.22% of total number of issued shares excluding treasury shares) |
| (3) Total value of shares to be acquired | Up to 35,000 million yen |
| (4) Acquisition period | February 6, 2025 to May 31, 2025 |
| (5) Acquisition method | Market purchases on the Tokyo Stock Exchange |

(Reorganization of subsidiaries)

The Company resolved at a Board of Directors meeting held on February 5, 2025 that the Company will implement a company split in which the shares of Bandai Namco Amusement Inc. ("Bandai Namco Amusement") will be transferred to Bandai Namco Experience Inc. ("Bandai Namco Experience"), which will be established on February 14, 2025 as a wholly owned subsidiary of the Company, by means of an absorption-type company split with an effective date of April 1, 2025 (the "Company Split").

1. Objective

The Company Split is part of a reorganization aimed at, within the Amusement Unit, strengthening planning and development capabilities as well as acquiring and training human resources for facility operations, in order to promote our Group's new Mid-term Plan, which will begin in April 2025.

After the Company Split takes effect, Bandai Namco Experience will oversee the entire Amusement Unit's business of our Group as the business management company for the Unit, and will also plan and sell facilities, Amusement machine and content, while Bandai Namco Amusement will specialize in the facility operation business. By clarifying the roles of each organization, we will promote growth in the amusement business through optimal allocation of management resources and efficient business operations.

2. Outline of the new subsidiary (scheduled)

(1) Name	Bandai Namco Experience Inc.
(2) Description of business	Amusement business
(3) Share capital	100 million yen
(4) Date of establishment	February 14, 2025
(5) Shareholding ratio	The Company 100%

3. Transactions conducted by commonly controlled entities

- (1) Outline of transaction
 - 1) Absorption-type company split from Bandai Namco Amusement into Bandai Namco Experience
 - a. Name of the subject business and the description of the business
Real entertainment business, including planning, production, and sales of amusement machines, and planning of amusement facilities and facilities that leverage IP
 - b. Date of business combination
April 1, 2025 (scheduled)
 - c. Legal form of business combination
Absorption-type company split by which Bandai Namco Amusement shall be the splitting company and Bandai Namco Experience shall be the successor company
 - d. Name of company after combination
Not changed.
 - 2) Absorption-type company split from the Company into Bandai Namco Experience
 - a. Name of the subject business and the description of the business
In this absorption-type company split, all the shares of Bandai Namco Amusement held by the Company will be transferred to Bandai Namco Experience, and there will be no transfer of business operations.
 - b. Date of business combination
April 1, 2025 (scheduled)

c. Legal form of business combination

Absorption-type company split by which the Company shall be the splitting company and Bandai Namco Experience shall be the successor company

d. Name of company after combination

Not changed.

(2) Outline of accounting process

The accounting process will be carried out as transactions conducted by commonly controlled entities, in accordance with the “Accounting Standard for Business Combinations” and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.”

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

February 5, 2025

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 December 31, 2024, the interim consolidated statements of income and comprehensive income for the three-month and nine-month periods 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 Interim Financial Statements of Tokyo Stock Exchange, Inc. (“the Standard”) (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles 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 Interim Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles 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 Interim Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles 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 Interim Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles 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 Interim Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles 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 a conclusion 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.