



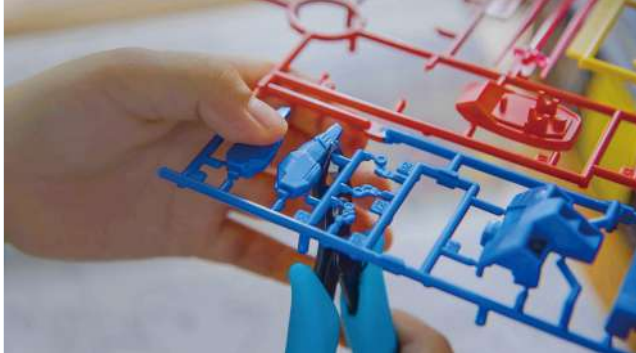


Bandai Namco's Purpose

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.



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Our website provides a variety of information about the Bandai Namco Group, such as IR information and sustainability initiatives. Please utilize the website in conjunction with this report.

<https://www.bandainamco.co.jp/en/index.html>

About Integrated Report 2023

In editing this report, we made reference to the IFRS Foundation’s Integrated Reporting Framework and SASB Standards on Toys & Sporting Goods and Software & IT Services, as well as the TCFD recommendations.

Forward-Looking Statements

The forward-looking statements in this report are based on the information available to management as of August 2023 and include various risks and uncertainties. Accordingly, actual results may differ materially from these projections for a variety of reasons. Major factors that could influence actual results include changes in the Bandai Namco Group’s operating environment, market trends, and exchange rate fluctuations.

Notes: 1. Figures in this report have been rounded down.
2. Unless otherwise noted, figures in this report are as of August 2023.
3. This is an English translation of the Japanese original *Bandai Namco Group Integrated Report 2023*. The Company provides this translation for your reference and convenience only and does not guarantee its accuracy or otherwise. In the event of any discrepancies, the Japanese original integrated report shall have precedence.



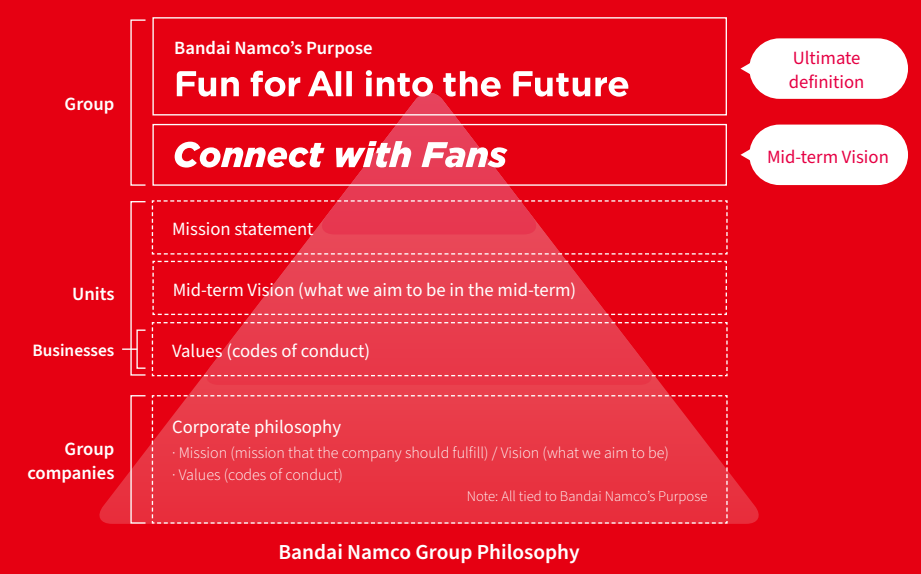
Always keeping in mind “Fun for All into the Future,” we will work to provide fun and inspiration to people around the world and strive to create smiles and happiness into the future.

In April 2022, we formulated our Purpose — Fun for All into the Future — which is the ultimate definition of who we are as a Group, and started the Mid-term Plan, which is aligned with the Purpose. The Purpose expresses the meaning of the Group’s existence for society and what we aim to be. The key words “connecting and working together to create things” resonate with the Mid-term Vision “Connect with Fans.” The Mid-term Plan and the Purpose are closely related and inseparable.

With the richness of spirit that creates entertainment, we will connect people with people, people with society, and people with the world. The idea of working together with all people to create that type of future is incorporated into the phrase “Fun for All into the Future.” In other words, this involves providing fun and inspiration to people around the world and pursuing smiles and happiness with a focus on the future. As used here, the word “people” includes all of our stakeholders.

Originally, our business was “the pursuit of smiles and happiness,” and there is no end to that mission. To everyone associated with the Group, I will continue to repeat this message going forward. The Company has been fortunate to be able to maintain favorable results, and for net sales, the ¥1.0 trillion mark is within sight. However, we will not be satisfied with the status quo. We must strive to record further growth on a global basis and to continue to evolve into a group that is even more highly evaluated. Going forward, we will continue to forge broader, deeper, longer-lasting connections and to work toward the realization of the future outlined in the Purpose.

Masaru Kawaguchi
President and Representative Director
Group CEO
Bandai Namco Holdings Inc.



ORGANIZATIONAL STRUCTURE AND IP* AXIS STRATEGY

With a system of three Units, the Bandai Namco Group is creating a diverse range of entertainment under the ALL BANDAI NAMCO concept. In addition, the strength of the Bandai Namco Group is the IP axis strategy, under which we work to maximize the value of characters and other intellectual property (IP) in order to provide the optimal products and services in the optimal regions at the optimal times.

ORGANIZATIONAL STRUCTURE



Regional management companies

- Bandai Namco Holdings USA Inc.
- Bandai Namco Europe S.A.S.*
- Bandai Namco Holdings Asia Co., Ltd.
- Bandai Namco Holdings China Co., Ltd.
- Bandai Namco Holdings UK Ltd.
- * Operating holding company

ENTERTAINMENT UNIT

► Digital Business

Business Management Company:
Bandai Namco Entertainment Inc.

Planning, development, and distribution of network content; planning, development, and sales of home video games

► Toys and Hobby Business

Business Management Company:
BANDAI CO., LTD.

Planning, development, production, and sales of toys, capsule toys, cards, confectionery and foods, apparel, sundries, plastic models, prizes, stationery, and other products

IP PRODUCTION UNIT

Business Management Company:
Bandai Namco Filmworks Inc.

Planning, production, and use of visual and music content, such as animations; management and use of copyrights; discovery and development of artists; live entertainment business

AMUSEMENT UNIT

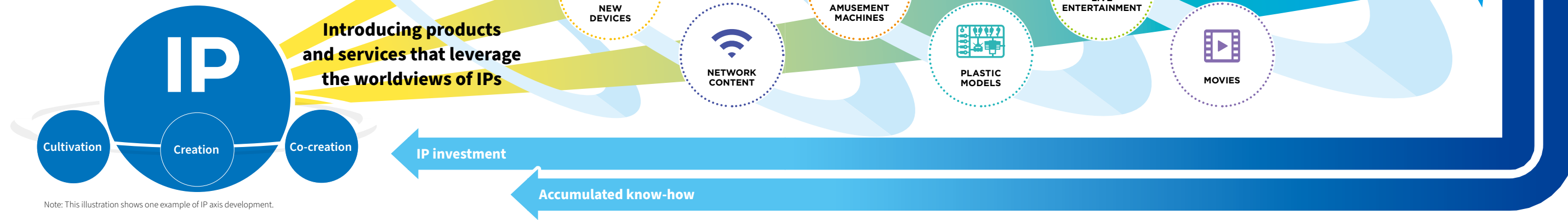
Business Management Company:
Bandai Namco Amusement Inc.

Planning, development, production, sales, and after-service for amusement machines; planning and operation of amusement facilities, including theme parks and indoor playgrounds, etc.

AFFILIATED BUSINESS COMPANIES

Supporting the Units in such areas as distribution, logistics, and administrative services

IP AXIS STRATEGY



Note: This illustration shows one example of IP axis development.

MAJOR IP IN GROUP PRODUCTS AND SERVICES

Annual Number of IP Utilized
More than 400

The Bandai Namco Group utilizes more than 400 IP per year to roll out products and services. This section introduces examples of established IP.

Units Developing IP Products and Services

E Entertainment Unit **I** IP Production Unit **A** Amusement Unit

IDOLiSH7

E I A

Since the launch of a game app for smartphones in 2015, *IDOLiSH7* has achieved a high level of popularity, especially among women. The Bandai Namco Group is rolling out a wide range of products and services, including animations, live events, music CDs, and goods.



THE IDOLM@STER Series

E I A

This IP was introduced in 2005. Centered on idol production game content for smartphones and home video games, it has earned popularity among a wide range of fans, without regard to gender. We are rolling out a variety of products and services, such as music CDs, live events, animations, comics, web radio, and merchandise.



Ultraman Series

E I A

Since its launch in 1966, *Ultraman* has earned the support of a wide range of age groups, extending to two or even three generations. The Bandai Namco Group provides *Ultraman* products and services, such as toys and visual products.



KAMEN RIDER Series

E I A

The *KAMEN RIDER* series has been popular for more than 50 years and has earned the support of a wide range of age groups around the world. The Bandai Namco Group provides various *KAMEN RIDER* products and services, centered on toys.



Mobile Suit Gundam Series

E I A

Since the launch of *Mobile Suit Gundam* in 1979, *Mobile Suit Gundam* products have earned support among a wide range of age groups. Centered on visual products, these include plastic models, home video games, network content, and amusement machines. In addition to Japan, *Mobile Suit Gundam* initiatives are being rolled out around the world, including Hollywood films.



Super Sentai Series

E I A

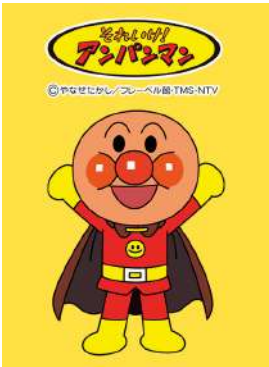
The *Super Sentai* series has maintained its popularity with more than 45 products and has also earned support in Asia. The Bandai Namco Group provides a wide range of *Super Sentai* products and services, centered on toys.



Anpanman

E A

Anpanman has been popular among parents and children for more than 30 years. The Bandai Namco Group provides *Anpanman* products and services, centered on toys for infants.



Tamagotchi Series

E I A

This in-house IP was created as a portable nurturing toy in 1996 and today is supported by two generations—parents and their children. We are working to broaden the scope of worldwide activities by strengthening out-licensing.



DRAGON BALL Series

E A

Launched in 1984, *DRAGON BALL* comics and animations have earned the support of customers around the world for many years. The Bandai Namco Group provides a wide range of *DRAGON BALL* products and services, such as home video games, network content, card products, and figures.



PAC-MAN

E A

With a theme of “eating,” *PAC-MAN* was created in 1980 as a game that could be enjoyed by all, without regard to age or gender. Since then, in addition to game development, *PAC-MAN* has been used in character merchandising and has appeared in a variety of company commercials. Even today, it is popular around the world. *PAC-MAN* is one of the in-house IPs that is representative of Bandai Namco.



PRETTY CURE! Series

E A

The *PRETTY CURE!* series has been popular for 20 years, centered on children ages three to six. The Bandai Namco Group provides a wide range of *PRETTY CURE!* products and services, centered on toys.



BORUTO / NARUTO

E A

This IP was introduced in 1999, and its comics and animations have been popular around the world for many years. The Bandai Namco Group is providing a wide range of products and services, centered on home video games and network content.



Love Live! Series

E I A

This IP, which was created from a project linking magazines, visual products, and music, was introduced in 2010. In addition to magazine pages and visual and music content, live events are highly popular.



ONE PIECE

E A

Launched in 1997, *ONE PIECE* comics and animations have been popular around the world for many years. The Bandai Namco Group provides a wide range of *ONE PIECE* products and services, such as home video games, network content, and figures.



Note: IPs are listed in the order of the Japanese syllabary.

RISKS AND OPPORTUNITIES

FOR THE BANDAI NAMCO GROUP

Major Groupwide Risks and Opportunities

Risks and Opportunities		Measures
Items accompanying the advancement of the IP axis strategy	Risks	Implementing the following initiatives, in addition to enhancing brand value through the permeation of Bandai Namco's Purpose and advancing the main strategies in the Mid-term Plan: • Demonstrating synergies, such as from collaboration involving initiatives in both the physical and digital business categories • Implementing initiatives for new business models, businesses, and platforms • Implementing reorganization to demonstrate our comprehensive strengths under the ALL BANDAI NAMCO concept, such as with inter-Unit cooperation • Strengthening cooperation with external partners • Establishing balanced IP, business, and regional portfolios • Strengthening quality control/inspection systems, strengthening employee training and supply chain management • Strengthening development system with focus on quality • Implementing strategic investment
	Opportunities	• Promoting collaboration among regions and businesses • Expanding potential for the creation of new markets, businesses, business models, and IP as a result of rapid changes in markets and customers and advances in technology • Appropriately utilizing and protecting IP, including the elimination of counterfeit products and services • Taking steps to achieve workplace environments that foster mutual respect, including the introduction of systems and frameworks that facilitate active careers for diverse human resources • Bolstering sound financial position
Items accompanying the active utilization of human resources	Risks	Implementing the following initiatives, in addition to the permeation of the Purpose within the Group: • Taking steps to achieve workplace environments that foster mutual respect, including the introduction of systems and frameworks that facilitate active careers for diverse human resources • Implementing employee climate survey • Implementing open collaboration without limiting ourselves to partners within the Group • Strengthening supply chain management in business activities (continued implementation of Code of Conduct (COC) audits, etc.) • Implementing human rights due diligence
	Opportunities	• Securing and development of the human resources who will advance the IP axis strategy on a global basis • Building of relationships with external creators and external partner companies
Changes in the natural environment, such as climate change	Risks	• Higher raw materials costs as well as production and procurement costs due to carbon regulations and plastic use regulations (principally the Toys and Hobby Business) • Higher costs due to the introduction of new technologies, investment in R&D, or capital investment (principally the Digital Business and the Toys and Hobby Business) • Property damage, supply chain interruption, or resource depletion due to natural disasters
	Opportunities	• Advancing initiatives for harmonious coexistence with the natural environment • Advancing energy-saving measures; increasing efficiency measures • Using low-carbon energy, such as renewable energy • Advancing recycling • Introducing new technologies and materials; implementing capital investment
Items accompanying information security	Risks	• Strengthening monitoring, strengthening vulnerability countermeasures • Expanding information security departments • Strengthening information security education • Collecting the latest information, strengthening relationships with external specialists
Items accompanying other external factors	Risks	• Promoting activities and implementing continued reevaluations based on the business continuity plan (BCP) and business continuity management (BCM) • Strengthening risk management system • Strengthening system for the collection and sharing of the latest information about each business and region • Implementing initiatives in accordance with circumstances and the requests of national and local governments in each country/region • Managing hygiene thoroughly • Implementing social support, such as through the contribution of support funds and business-based measures

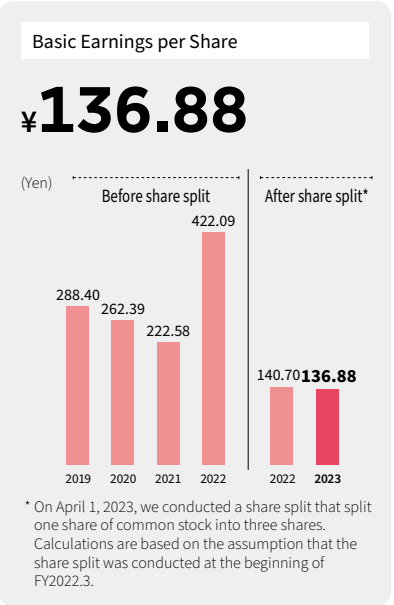
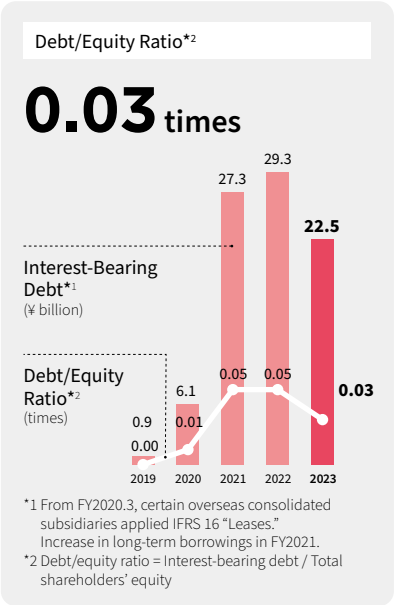
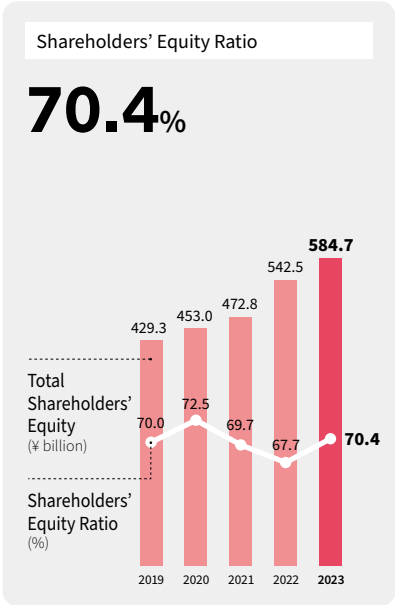
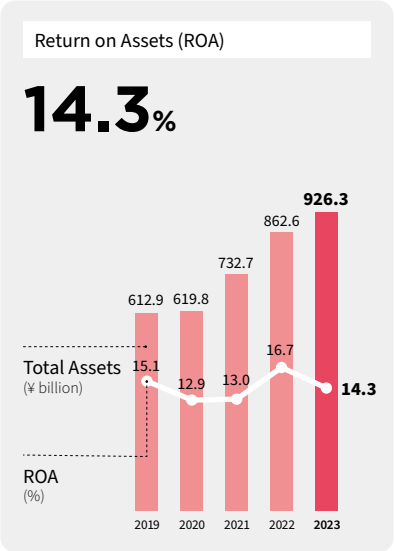
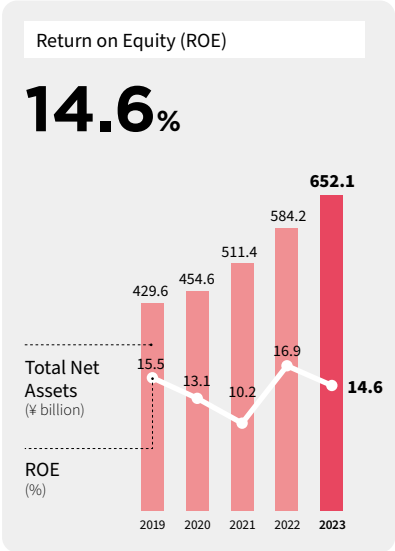
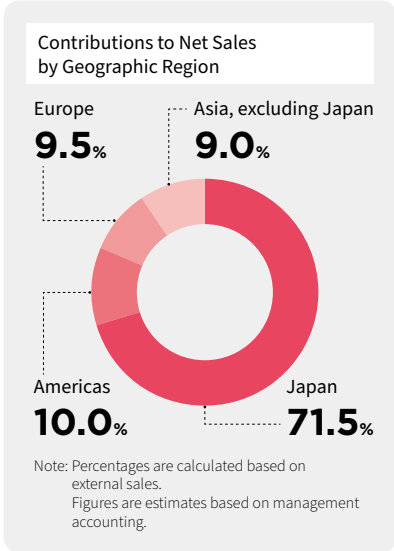
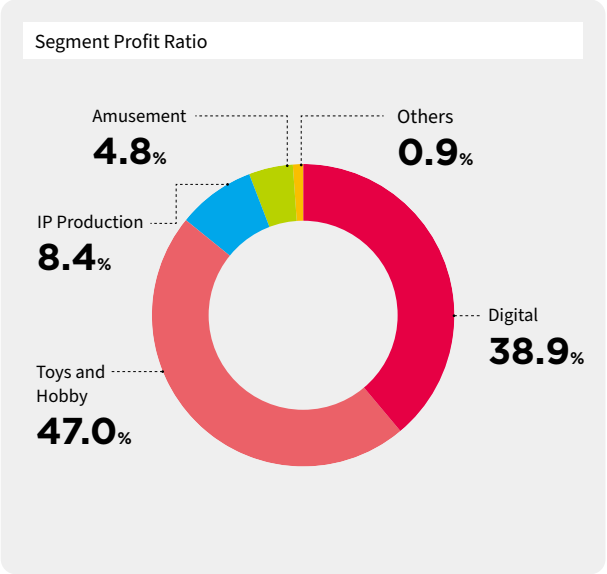
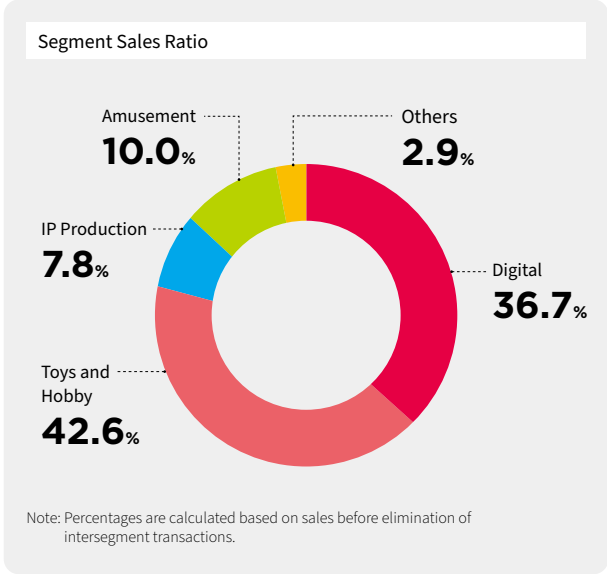
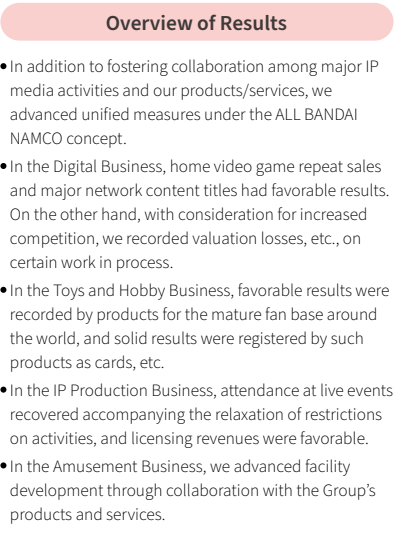
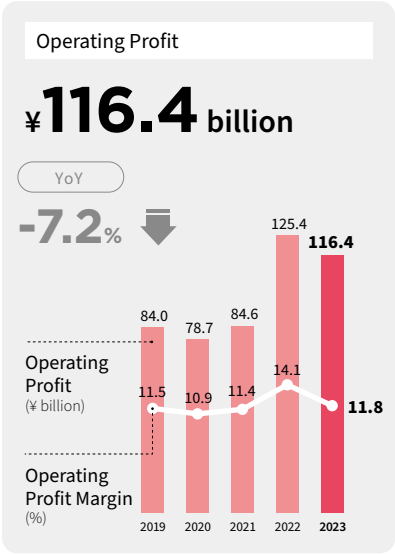
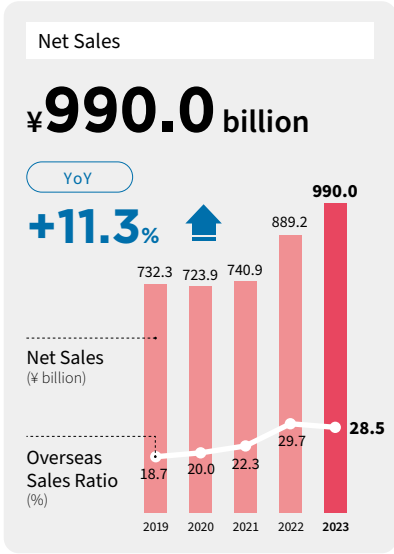
For the Bandai Namco Group to record sustained growth over the medium to long term, we will need to reduce risks and make the most of opportunities by responding rapidly to changes in the environment, identifying risks and opportunities for the Group, and considering and implementing measures to address them. At top management meetings and various committees, we are analyzing and sharing information about risks and opportunities and considering measures. In these ways, we will maintain an appropriate risk management system. In addition, we will strive to leverage new opportunities arising from changes in the business environment and to implement a range of initiatives going forward.

Major Risks and Opportunities in Each Business

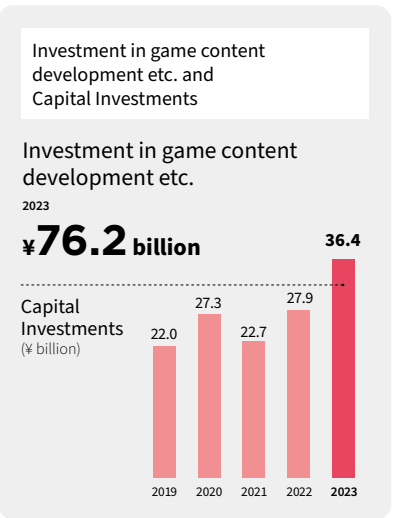
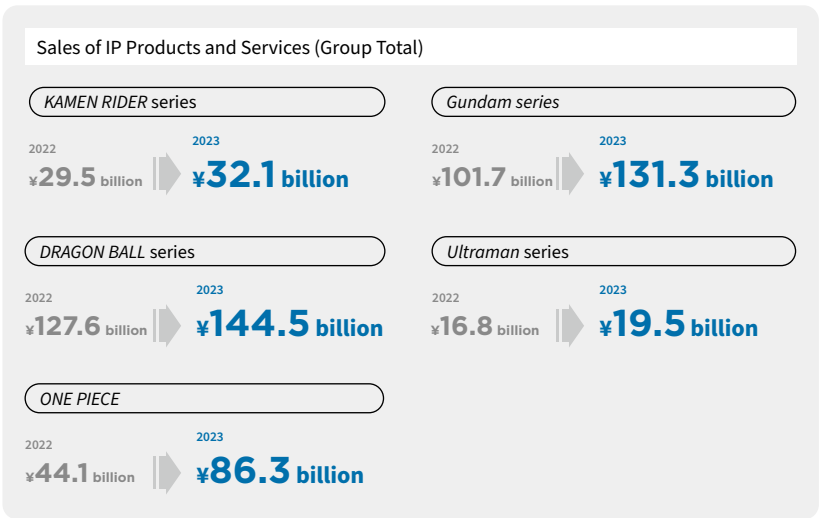
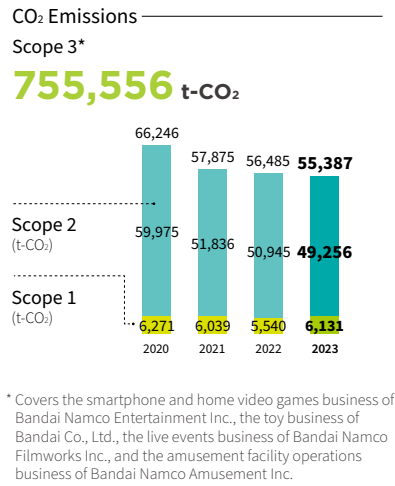
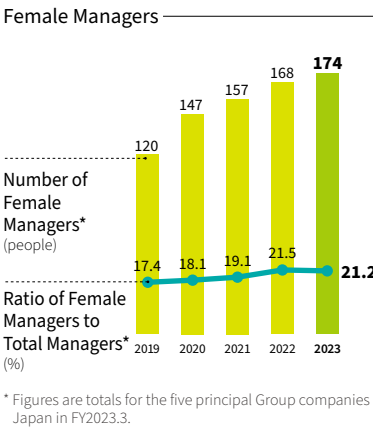
Risks and Opportunities		Measures
All businesses	Opportunities	• Addressing new technologies, new platforms • Strengthening initiatives to enhance IP recognition as well as global roll-outs • Strengthening digital initiatives, such as online events and e-commerce
Entertainment Unit ▶ Digital Business	Risks	• Spreading/expanding network environment • Technological progress • Expansion of customer touchpoints through digitalization
	Opportunities	• Platform diversification • Technological progress • Lengthening development periods and increasing investment amounts
Entertainment Unit ▶ Toys and Hobby Business	Risks	• Aggressively addressing new technologies and new platforms • Strengthening research and information collection, such as for new technologies • Strengthening development system with focus on quality and increasing efficiency • Strengthening development control in accordance with business models • Continuing communication with fans after title releases
	Opportunities	• Growing potential for new markets, businesses, and business models as a result of the advancement of technology
IP Production Unit	Risks	• Expanding target customer groups and regions • Reforming and increasing the efficiency of the value chain in development and production • Promoting initiatives for recycling and initiatives to address the trend away from the use of plastic, such as new material R&D • Dispersing manufacturing bases, strengthening quality control system (continued reevaluation of quality standards, implementation of COC audits, etc.)
	Opportunities	• Trend toward fewer children in Japan • Oil price increases • Strengthened regulations regarding the trend away from the use of plastic • Rising distribution costs • Concentration of production regions; quality control
Amusement Unit	Risks	• Intensification of competition in IP creation • Development and securing of human resources in production
	Opportunities	• Consolidating studio and production functions • Collecting know-how regarding visual products, music products, and live events • Enhancing production environment, securing human resources, strengthening human resources development • Investing to enhance production technologies • Strengthening collaboration with all partners inside and outside the Company
Amusement Unit	Risks	• Expansion of viewing environments for visual works
	Opportunities	• Diversification of entertainment utilizing real venues • Rising fuel prices and labor costs

THE BANDAI NAMCO GROUP— 1 YEAR OF RESULTS

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
For the Fiscal Years Ended March 31



ESG (For detailed data, please refer to *FACT BOOK 2023*, a separate publication.)





Fun for All into the Future

													
Masaru Kawaguchi	Yuji Asako	Nobuhiko Momoi	Nao Udagawa	Kazuhiro Takenaka	Makoto Asanuma	Hiroshi Kawasaki	Shuji Ohtsu	Toshio Shimada	Koichi Kawana	Masataka Nagaike	Toru Shinoda	Satoko Kuwabara	Takayuki Komiya
President and Representative Director Group CEO	Director	Director	Director (Part-time) President and CEO of Bandai Namco Entertainment Inc.	Director (Part-time) President and CEO of BANDAI CO., LTD.	Director (Part-time) President and CEO of Bandai Namco Filmworks Inc.	Director (Part-time) President and CEO of Bandai Namco Amusement Inc.	Director (Part-time) President and CEO of Bandai Namco Business Arc Inc.	Director (Part-time, Outside)	Director (Part-time, Outside)	Director Audit & Supervisory Committee Member	Director Audit & Supervisory Committee Member (Outside)	Director Audit & Supervisory Committee Member (Part-time, Outside)	Director Audit & Supervisory Committee Member (Part-time, Outside)

PRESIDENT'S MESSAGE

MASARU KAWAGUCHI

President and Representative Director
Group CEO
Bandai Namco Holdings Inc.

Three consecutive years of record-high net sales, approaching net sales of ¥1.0 trillion

In FY2023.3, we recorded net sales of ¥990.0 billion and operating profit of ¥116.4 billion, surpassing the plan announced at the beginning of the fiscal year. This performance was attributable to rapid measures under the ALL BANDAI NAMCO concept for the global rollout of products and services on an IP axis and to the persistence of all of our employees, who advanced a variety of initiatives to connect with fans. We have achieved three consecutive years of record-high net sales, which have surpassed ¥900.0 billion. The ¥1.0 trillion mark is within sight. Looking at profits, in the Digital Business, the market environment is characterized by intensifying competition. With consideration for this environment, we implemented a more rigorous reevaluation of the title development circumstances and business plans. We recorded valuation losses, etc., on work in process and, as a result, for the full fiscal year profit was down year on year. Nonetheless, in business operations I believe that we got off to a good start in the first year of the Mid-term Plan. We achieved solid results with our efforts to expand global rollouts, implement core IP media activities, foster strong collaboration among products and services, and implement initiatives on an IP axis under the ALL BANDAI NAMCO concept.

“We will strive to maximize the value of IP and achieve further growth under the ALL BANDAI NAMCO concept.”

By business, record-high results were achieved in the Toys and Hobby Business and the Amusement Business. In the Digital Business, contributions to results were made by key titles in network content and by repeat sales of home video games. In the Toys and Hobby Business, contributions to results were made by favorable performances by products and services with high profit margins, such as products for the mature fan base and card products. Furthermore, due to the relaxation of restrictions on activities resulting from the COVID-19 crisis, there was a recovery in such factors as the number of customers at live events in the IP Production Business and at amusement facilities in the Amusement Business.

Progress with the Mid-term Plan
(April 2022 to March 2025)

In April 2022, we formulated our Purpose, “Fun for All into the Future,” as the ultimate definition of who we are as a Group and began our new three-year Mid-term Plan, which is aimed at the realization of the Purpose. Our Mid-term Vision is “Connect with Fans.” We will work to build a new framework for connecting with fans, maximize the value of IP itself, and establish a business system under the ALL BANDAI NAMCO concept.

The following is an outline of our progress with our initiatives, principally from the perspective of the IP axis strategy.

IP×Fan (Connecting fans through IP)

Please refer to the special feature, pages 36 to 37.

We are currently focusing on the creation of the Gundam Metaverse, which is the first initiative in the IP Metaverse virtual environment. We are planning a test opening in October 2023.

The Group's metaverse concept is significantly different from those of other companies. First, this initiative will be developed on an IP axis. Second, our main focus is on maximizing the value of IP itself by connecting with fans and building venues for communities with fans. In this regard, what is important is the Data Universe, which will be the foundation of the metaverse. Through the integrated management of fan data and preferences, which are currently managed by individual Group companies, we will increase fan satisfaction with products and services.

The IP Metaverse and the Data Universe will work together under the IP axis strategy. In this way, we will build an environment for the advancement of new initiatives, such as the implementation of data-driven strategies and the fusion of digital and physical elements.

IP×Value (Enhancing IP value)

Please refer to the special feature, pages 42 to 45.

Each year, the Group utilizes more than 400 IP, which support the IP axis strategy. Of these, the established IP, such as *Mobile Suit Gundam*, *DRAGON BALL*, and *ONE PIECE*, led our favorable results in the year under review. Although *Gundam* is the Group's IP, *DRAGON BALL* and *ONE PIECE* are the IP of other companies. Our rollouts of products and services are implemented in cooperation with external partners, such as rights holders. As a result of media activities for visual works and strong collaboration in products and services, these established IP have continued to record stable growth and have become a solid foundation for the IP axis strategy.

In addition, targeting the creation of new IP, we will implement approximately ¥25.0 billion in strategic investment over the three years of the Mid-term Plan. We are working from a variety of perspectives. It is difficult to create something from thin air, but this steady planting of seeds should generate yields in 10 or 20 years.

In this way, in-house IP and IP from other companies are both essential, as are established IP and new IP. Under the IP axis strategy, which was redefined in the current Mid-term Plan, even if upfront investment is made in the short term, we will aim to maximize the value of the IP from a long-term perspective.

One factor making possible the above expansion of established IP is the implementation of Groupwide IP projects. In addition to their role in sharing information, these project teams have also been given the authority to make decisions. The project teams manage marketing and scheduling in a cross-sectional manner, and coordinate within the Group. In this way, we have increased the speed of a variety of actions under the ALL BANDAI NAMCO concept.

IP×World (Connecting the world through IP)

Please refer to the special feature, pages 46 to 49.

Another favorable result in the fiscal year under review was progress with global initiatives. The overseas sales ratio was 28.5%,* an increase of 6 percentage points from the final year of the previous Mid-term Plan. In major areas, we have consolidated bases into single offices. This has led naturally to lively communication and to such initiatives as joint booths with an IP axis at events and exhibitions, whereas in the past each company made its own arrangements. However, currently these initiatives are only being implemented for certain IP and categories. Going forward, we will need to further strengthen collaboration across businesses and aim to foster business development initiatives that are the same as those in Japan.

*“Overseas sales” is the sales of local subsidiaries and does not include sales made directly from Japan (same hereinafter). Results in the fiscal year under review are equivalent to more than 40% on a destination basis.



**“In an age of dramatic change,
we are surrounded by opportunities.
I would like the Group to have that
understanding and confidence and to take
advantage of opportunities in global markets.”**

Against a background of advancing online visual product distribution and the hit status of Japanese anime movies, overseas fans of IP originating in Japan are increasing rapidly. Going forward, we will leverage this favorable factor, and in the key markets of North America and China we will implement aggressive investment, such as expanding IP and product categories. We will strive to increase our overseas sales ratio to 35% in FY2025.3, the final year of the current Mid-term Plan, and to 50% as rapidly as possible.

Organizational restructuring with a focus on growth over stability

Since I became president, we have implemented decisive organizational restructuring, as well as personnel exchanges at the executive level that extend across business areas. The aims of these initiatives are to activate each Unit and business; to promote exchange of know-how, etc.; and to achieve the optimal allocation of personnel from a Group perspective. Going forward, we will continue to implement these types of initiatives as needed.

We do not consider our current organization to be the final version. For example, currently, the Entertainment Unit is generating the majority of Group earnings, but generally this is something that would tend to be avoided from a management perspective. The reason why the Group implemented this structure is that we are aiming not only for stability but also for growth. With a focus on growth potential, as we have done in

the past, we will always continue to consider flexibly changing the system accompanying changes in the market environment.

**Personnel strategy:
Environments filled with smiles and happiness**

Please refer to the ESG section, pages 56 to 57.

In the Bandai Namco Group, diverse human resources participate actively and lead a variety of business initiatives in accordance with the phrase “same spirit, diverse talents.” People with different skills, individual characteristics, and values can thrive. Human resources are the Group’s greatest asset.

Establishing an environment in which people can work energetically and leverage their strengths, and which is filled with smiles and happiness, is an important mission for executives. In the most recent employee climate survey, scores were higher than expected. However, rather than being satisfied with these results, we will take steps to increase the motivation of employees, such as further working style reforms.

Other issues include our personnel strategy under the ALL BANDAI NAMCO concept. In the past, the tasks of securing and hiring personnel were handled at the business company level. However, it is necessary for the holding company to carefully consider the human resources who handle Groupwide operations. Going forward, we will consider the best approach to the Group’s personnel strategy, including such matters as system design.

Sustainability and governance

Please refer to the ESG section, page 60.

Looking at sustainability activities, we are working to establish specific indicators, with a focus on global standards. On the other hand, there is also the viewpoint that activities closely tied to the Group’s distinctive Purpose are themselves important. While advancing initiatives for these two axes, it will be necessary to communicate with society in a more proactive manner.

Looking at our system, we established the Group Sustainability Committee and the Sustainability Management Department in April 2022, when the Mid-term Plan started. In June 2022, we transitioned to a company with an audit and supervisory committee, and we decided to reflect sustainability evaluations in the remuneration for directors (excluding Audit & Supervisory Committee and outside directors).

The change in organizational structure has made a significant contribution to enhancing the auditing function and the Board’s supervisory function. Through the delegation of authority to the Full-Time Officers Committee, the speed of decision-making and business execution have been increased, and the Board is better able to focus on discussions regarding important matters, overall strategy, etc. In addition, I think that, along with off-site meetings and Vision Meeting initiatives, the Board is functioning as a venue for free and open discussion and examination.

Toward the permeation and practical application of the Purpose

In April 2022, in conjunction with the start of the Mid-term Plan, we established the Purpose, which is the ultimate definition of who we are as a Group. The Mid-term Vision reflects the emphasis in the Purpose on “connecting” and “working together to create things,” and it clarifies the inseparable relationship between these two elements. We also changed our logo. In principle, the new logo is displayed on all products and services. I think that this has led to a sense of unity regarding reforms within the Group.

Our Purpose, “Fun for All into the Future,” also expresses striving to create smiles and happiness for people around the world. Striving to create smiles and happiness will always be an ongoing mission. We must strive to record further growth, and to evolve into a company that is even more highly evaluated in Japan and around the world.

On April 1, 2023, we conducted a share split with a ratio of three shares for every one share of common stock. The reason was that we want to forge broad, deep, and long-lasting

connections with a larger number of shareholders by increasing the liquidity of the Company’s stock.

Favorable opportunities for growth in eras of dramatic change

Currently, the Group is enjoying favorable circumstances in the markets where it conducts business operations. However, uncertain elements still remain. Unknown start-ups suddenly appear, and we must acknowledge that they have the potential to become our rivals. Rapid progress is being made in the field of IT, as seen with AI. If we are satisfied with the status quo, then we are likely to encounter in unexpected areas. We recognize these types of risks, and we formulated the current Mid-term Plan with a sense of urgency.

For the Group to record further growth, we must work together under the ALL BANDAI NAMCO concept, rather than working as an aggregation of individual companies. The holding company does not engage directly in business operations. From a medium- to long term perspective, it points out the overall direction and works in a cross-sectional manner within the Group to handle issues that are difficult for individual companies to address. The activities of IP projects in FY2023.3 exemplify the new form of the Group.

I am confident that we have not yet fully leveraged Bandai Namco’s potential. Looking at the history of the Group, it is clear that the times when the world was undergoing significant change presented opportunities for growth. In an age of dramatic change, we are surrounded by opportunities. I would like the Group to have that understanding and confidence and to take advantage of opportunities in global markets.

The Bandai Namco Group was created in 2005 through the management integration of Bandai Co., Ltd., and Namco Limited. The long-term targets that were announced at that time were net sales of ¥1.0 trillion and operating profit of ¥100.0 billion. At this point, when we are closing in on the achievement of those targets, the Group is entering its second growth stage. We will aim for further evolution and continue to take on challenges, and I would like to ask for further support of the Group in the years ahead.

September 2023

Masaru Kawauchi



“We will work to maintain a sound financial position and support the Group’s further growth.”

CFO/CISO'S MESSAGE

YUJI ASAKO

Director
CFO (Chief Financial Officer)
CISO (Chief Information Security Officer)
Bandai Namco Holdings Inc.

Off to a favorable start in the first year of the Mid-term Plan

In FY2023.3, net sales and operating profit exceeded the plan announced at the beginning of the fiscal year, and net sales reached a new record high. We got off to a favorable start in the first year of the Mid-term Plan. In the Digital Business, home video games registered favorable results with repeat sales of existing titles, such as *ELDEN RING*. In the Toys and Hobby Business, solid performances were recorded by products for the mature fan base as well as cards, confectionery, capsule toys, and others. By segment, the Toys and Hobby Business and the Amusement Business achieved new record-high results.

In the Digital Business, development of new titles was delayed due to the COVID-19 crisis and, going forward, large numbers of

these titles are expected to be released, including by competitors. Consequently, the market environment is likely to undergo intensifying competition. With consideration for this situation, in the Digital Business, with the objective of providing more high-quality titles, we carefully reviewed the title development circumstances and business plans. As a result, we recorded valuation losses, etc., on work in process. In addition, in the Toys and Hobby Business, we recorded valuation losses, etc., on inventory.

Advancing strategic investment in accordance with the Mid-term Plan

In the entertainment industry, which handles large numbers of seasonal products, it is essential to maintain appropriate inventory levels. Going forward, we will continue working to increase the accuracy of our demand forecasting. Furthermore, in the Digital Business, accompanying lengthening development periods, investment amounts are also increasing. In response to this situation, we have strengthened the evaluation system at the title development stage. Specifically, in addition to the appeal and quality of the plan, we conduct evaluations from multiple perspectives, such as technical aspects and business models. With this system, we can make planning decisions from an earlier stage.

Also, separate from the ordinary investment activities of the business companies, Groupwide strategic investment has been increased to ¥40.0 billion under the current Mid-term Plan. This includes (1) ¥25.0 billion to maximize IP value, such as new IP creation, IP projects, and open innovation, and (2) ¥15.0 billion for IP Metaverse-related initiatives. Both of these are being implemented according to plan.

Looking at new IP under (1), *SAND LAND* and *SYNDUALITY* will be rolled out from summer 2023. In addition, we will continue to focus on existing IP, centered on IP marketing for *Mobile Suit Gundam*, *DRAGON BALL*, and *ONE PIECE*. Moreover, we have formed a start-up investment fund, and as of June 2023 we had implemented capital participations in nine companies.

Looking at the IP Metaverse under (2), we are moving ahead with the development of the Data Universe, which will be the foundation of the metaverse. In regard to the Gundam Metaverse, which is the first step, we are planning a test opening in October 2023.

Growth-oriented capital policy

An important principle of our financial strategy is to always secure one year of labor costs (approximately ¥80.0 billion to ¥90.0 billion) in order to maintain employment of human resources; one to one-and-a-half months of working capital (approximately ¥100.0 billion), for stable operational administration, including suppliers; and development expenses related to game content, which are increasing in scale. Furthermore, it will be necessary to secure a certain level of cash on hand for strategic investment under the Mid-term Plan and for flexible implementation of appropriate investment in rapidly changing industries.

In regard to the cost of capital, we focus on the indicators of ROE and operating profit margin, and we have announced an ROE target of 12% or more in the final year of the Mid-term Plan (FY2025.3). We have already cleared this target, with a figure of 14.6% in FY2023.3. In aiming for further increases, rather than relying on reductions in the denominator, we will target increases based on higher profits resulting from business growth. In order to continue to take on these frontline challenges, we must have a solid financial position.

We have conducted periodic reviews of our cross shareholder-ings. In accordance with such indicators as TSR (total shareholder return), each period the Board of Directors carefully reviews the importance of holdings of listed and unlisted stocks. We will steadily reduce these holdings. On the other hand, we will continue to hold stocks that are necessary for advancing the IP axis strategy.

In regard to shareholder return, our basic policy calls for a focus on the maintenance of stable dividends over the long term and on the cost of capital, targeting a total return ratio of 50% or more based on stable dividend payments of 2% of DOE (dividends on equity). Based on this policy, we set the annual dividend for FY2023.3 at ¥206 per share (base dividend of ¥54, performance-based dividend of ¥152), for a DOE of 7.3% and a total payout ratio of 50.2%. With comprehensive consideration for our stock price and cash on hand, etc., in addition to dividends, we will consider the acquisition of our own shares as one of our options.

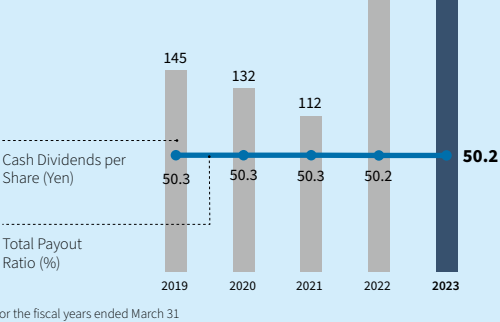
Three pillars of information security measures

In July 2022, Group companies in Asia (excluding Japan) experienced an unauthorized access incident. As CISO, I take this incident very seriously. The Group is implementing three pillars of information security measures: (1) standardization, (2) initial response, and (3) education.

For (1) standardization, we are working to standardize the security level at each Group company at a certain level or higher. For (2) initial response, we have organized measures to be implemented in the event of an incident in an easy to understand manner, and we are communicating them in a variety of forms. For (3) education, we are utilizing e-learning, etc., and working to enhance the IT literacy of individual employees.

The information security environment is changing rapidly, and the points that require attention also change. Going forward, we will work to strengthen and enhance the level of security while continually obtaining the latest information.

Cash Dividends per Share and Total Payout Ratio



Generating a higher level of profits in a secure manner

At the time of the management integration in 2005, the Group announced long-term targets of net sales of ¥1.0 trillion and operating profit of ¥100.0 billion. Following the achievement of the operating profit target of ¥100.0 billion in FY2022.3, the achievement of the net sales target of ¥1.0 trillion in FY2024.3 has come into view. We will continue working to strengthen our foundation so that we can secure earnings in a stable manner that is less susceptible to such factors as changes in the operating environment and whether or not we have hit products.

The Bandai Namco Group is aiming for sustainable growth over the medium to long term. Through the IP axis strategy, we will connect with more people and implement broader business initiatives on a global basis. Going forward, I will strive to establish an environment in which people can take on challenges in a free and open-minded manner, and to live up to the trust of our shareholders through growth in our corporate value.

ENTERTAINMENT UNIT

Unit Mid-term Vision

→ *Connect with Fans*

Unit Main Strategies

- Large-scale, long-term investment × short-cycle, rapid investment
- Acquiring a focus on maximizing IP value

We will forge stronger connections with fans from both digital and physical perspectives, with IP as the axis.

As with the Group as a whole, the Mid-term Vision of the Entertainment Unit is “Connect with Fans.” We are aiming to forge stronger connections with fans from both digital and physical perspectives, with IP as the axis.

We are advancing “large-scale, long-term investment × short-cycle, rapid investment,” which is one of our main strategies. Going forward, we will pursue growth under an investment cycle that leverages the distinctive characteristics of the business models of the Digital Business and the Toys and Hobby Business. At the same time, we will strive to further deepen collaboration among businesses.

In addition, maximizing the value of IP itself will link directly to business growth and expansion. “Acquiring a focus on maximizing IP value,” is also one of our main strategies. In accordance with this strategy, we will collaborate with external partners, especially for IP that is rolled out around the world on a Groupwide basis. This will lead to the maximization of IP value.

Digital Business:

The Digital Business will exceed the expectations of fans around the world in accordance with two basic policies.

In the Digital Business, the basic policies are “high-quality content that fans can enjoy over long periods of time” and “diverse entertainment.”

In our mainstay game business, the global competitive environment is intensifying. In addition, the scale of game development is increasing, and the development periods are getting longer. In this setting, targeting the realization of content that fans can enjoy over long periods of time, we will strategically roll out the games that we produce, based on an optimal portfolio that reflects multiple viewpoints. In addition, we will work to build a powerful development system by strengthening our in-house development capabilities and implementing further collaboration with external studios.

At the same time, in diverse entertainment, in accordance with the Bandai Namco Group’s Mid-term Vision, “Connect with Fans,” we will expand the outlets for IP originating from games; forge

long-lasting, deep, multifaceted connections with fans around the world; and build communities that enable fans to experience a range of content.

The Digital Business has cultivated special strengths in a variety of areas, such as planning/development, sales/marketing, and data analysis. In these areas, we will dig deeper and focus on fans. At the same time, by generating ongoing business growth, we will build a business foundation that is stable and also enables us to continue to take on challenges. Through entertainment businesses, such as network content, home video games, and live entertainment, we will aim to exceed the expectations of fans around the world.

Toys and Hobby Business:

The Toys and Hobby Business will rapidly deliver products to large numbers of fans around the world.

One strength of the Toys and Hobby Business is the implementation of development initiatives in a wide range of product categories on an IP axis. In the second year of the Mid-term Plan, we will work to further strengthen global initiatives, and we will focus on promotions and events worldwide.

In “global IP merchandising rollouts,” which is one of our main strategies, we will continue to accelerate product rollouts for IPs with buzz and aim to expand our business. Furthermore, in new IP rollouts we will advance rapid, flexible commercialization, and we will build a worldwide framework for forging connections, both among fans themselves and between fans and Bandai Namco.

In global markets, we will further strengthen business development initiatives, and we will work to increase the overseas sales ratio in the Toys and Hobby Business. In each region, we will expand our IP line-ups and product categories, and we will work to bolster our demand forecasting and reinforce our production capabilities. Also, as with Bandai Namco’s Groupwide strategies, we have positioned North America and China as key markets. In North America, we will strengthen connections with fans through both digital initiatives, such as e-commerce, and physical initiatives, such as events and products. In China, in addition to IP originating in Japan, we will commercialize IP originating in the local market and conduct product planning in line with the preferences of local fans.

With IP as the axis, the Toys and Hobby Business has a large number of product brands that are popular with fans. Going forward, we will work to steadily nurture existing brands and newly created brands, and to connect with large numbers of fans around the world.



NAO UDAGAWA

Director (Part-time)
In charge of Digital Business,
Entertainment Unit
Bandai Namco Holdings Inc.
President and CEO
Bandai Namco Entertainment Inc.

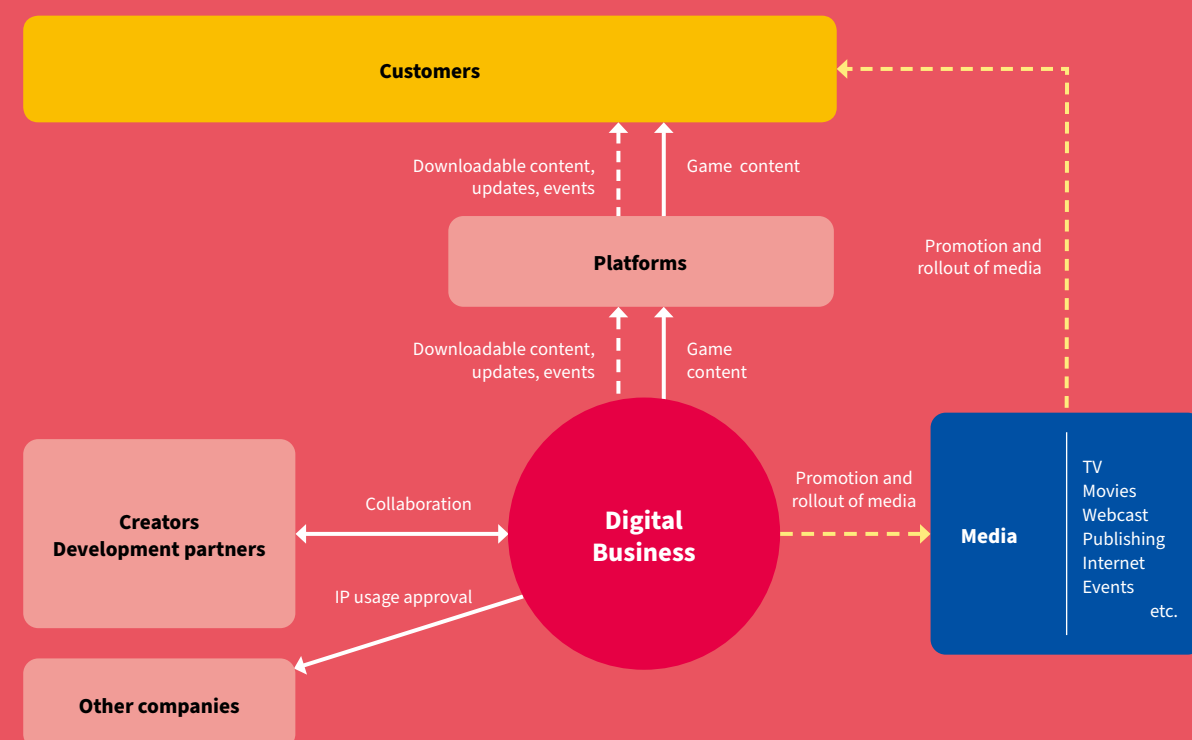


KAZUHIRO TAKENAKA

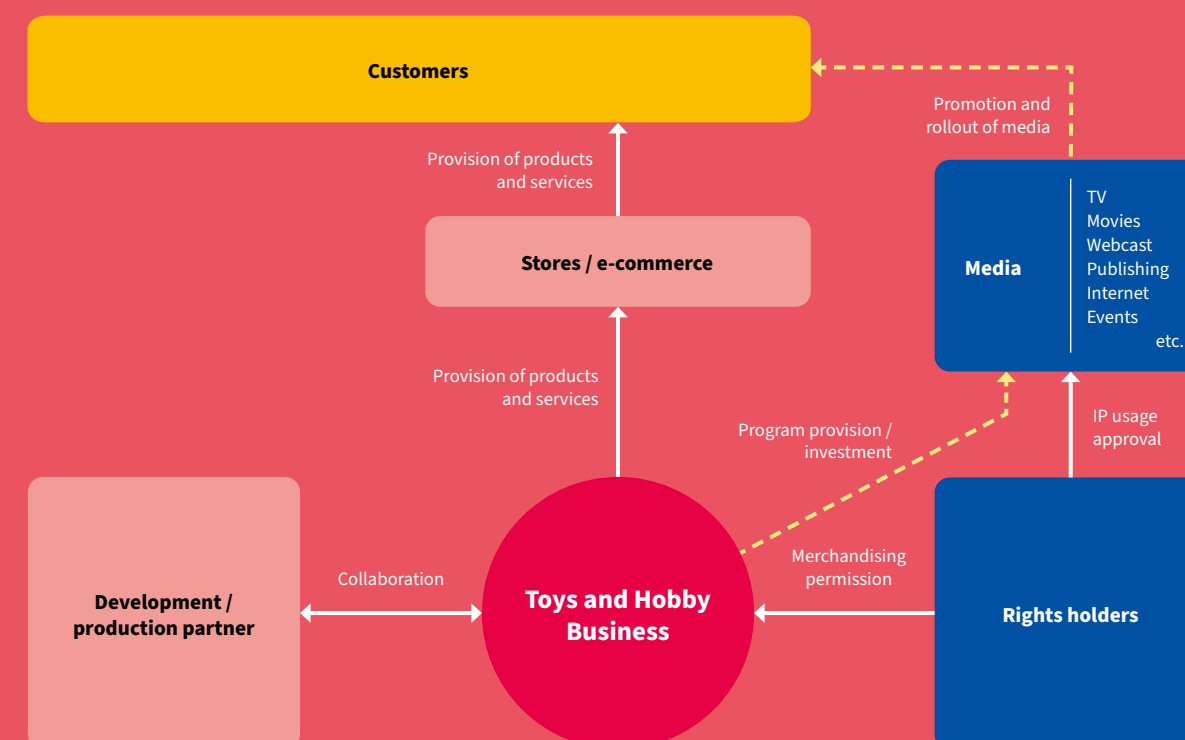
Director (Part-time)
In charge of Toys and Hobby Business,
Entertainment Unit
Bandai Namco Holdings Inc.
President and CEO
BANDAI CO., LTD.

ENTERTAINMENT UNIT

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



Example of Business Model in the Toys and Hobby Business (When Another Company's IP Is Used)



MAIN STRATEGIES

- Realizing the metaverse concept
- Worldwide title organization, large-scale development
- Strengthening content originating overseas

FY2023.3 RESULTS AND RELATED DATA

■ Sales by Major Category

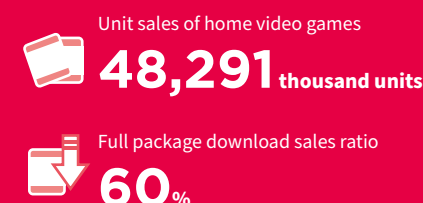


■ Network Content



* Percentage of network content sales contributed by transactions arising overseas

■ Home Video Games



FY2024.3 NUMERICAL TARGETS



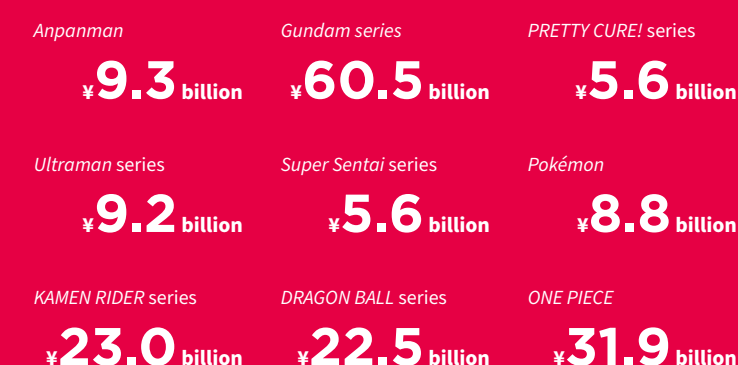
Results forecasts are as of May 2023.

MAIN STRATEGIES

- Global IP merchandising rollouts
- Strengthening business in North America and China
- Global strategy for digital marketing and direct marketing

FY2023.3 RESULTS AND RELATED DATA

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



FY2024.3 NUMERICAL TARGETS



Results forecasts are as of May 2023.

IP PRODUCTION UNIT

Unit Mid-term Vision

➡ Evolving into the leading IP production group that continues to provide a wide variety of stories that bring the world together

Our main role is the creation of IP, and we will continue working to create excellent products.

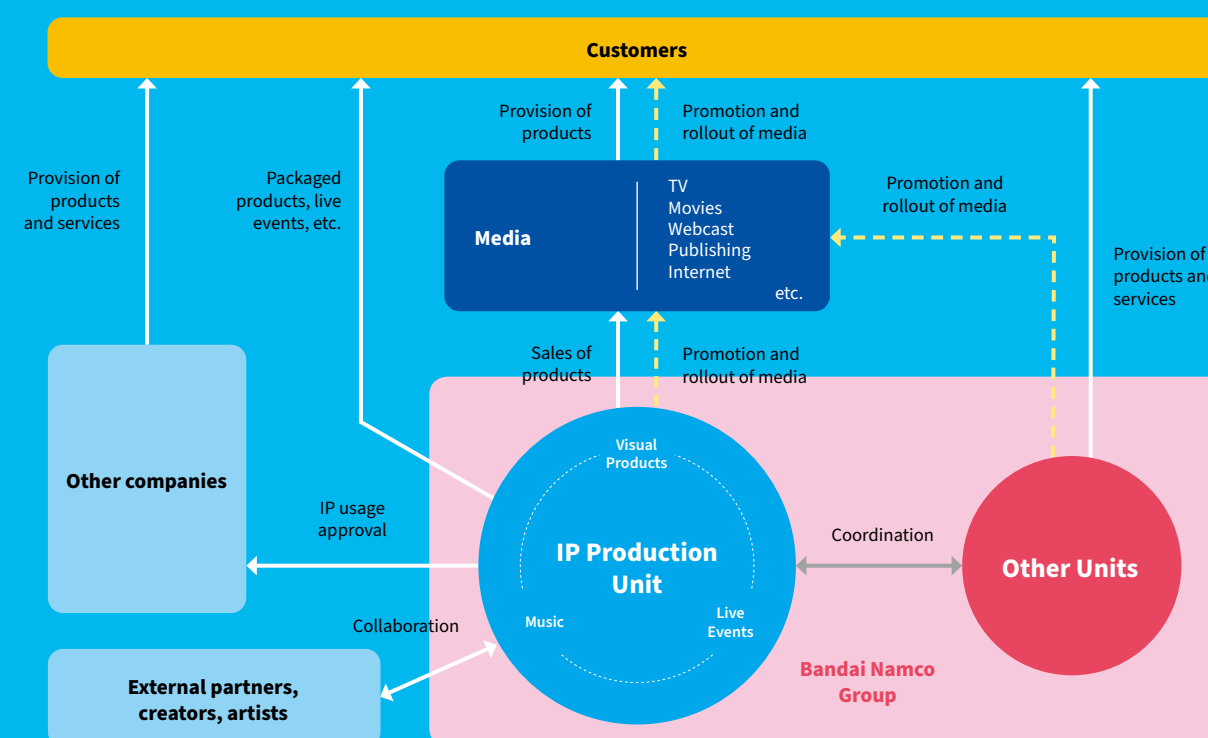
The main role of the IP Production Unit is to create IP itself, which is the key to the IP axis strategy, and to create excellent visual works. We work to expand the value of IP in a variety of forms, including visual works, such as TV programs, movies, and visual works distributed online; licensing inside and outside the Group; program sales; packaged product sales; and live events. The earnings generated in these ways are used for investment in the creation of new IP and products and for taking on challenges.

As a result of the reorganization that was implemented in April 2022, we have consolidated know-how and resources in the visual works, music, and live event businesses. We have a stronger system for connecting IP and fans, from the creation of IP to the provision of products and services to fans. In April 2023, in the visual business, we consolidated bases that had been dispersed and strengthened collaboration. In this way, we have increased the speed of decision-making. Moreover, we are taking steps to reinforce our IP and visual work creation capabilities. For example, we are fostering the exchange of techniques and know-how by deepening collaboration with outside studios.

In the second year of the Mid-term Plan, we will further expand initiatives for existing IP, such as the *Gundam* series and the *Love Live!* series. In addition, we will work to create IP with a variety of approaches, including new original plans and new products created through collaboration with external partners, such as *SAND LAND*. Moreover, due to such factors as the growth of online visual works distribution, attention around the world is increasingly focused on IP and visual works originating in Japan. In this setting, we will take such steps as implementing creation initiatives with an awareness of global markets and strengthening licensing. In these ways, we will work to maximize IP value. Furthermore, we are strengthening our management and educational systems and working to establish a more sound production environment so that employees and creators can engage in production activities in a safe, secure manner.

Going forward, the IP Production Unit will continue to take on the challenge of creating large volumes of IP and excellent products. By delivering them to a large numbers of fans, we will build connections with fans around the world and strive to evolve into the leading IP production group.

Example of Business Model in the IP Production Unit



MAIN STRATEGIES

- Accelerating the creation of hits by strengthening multifaceted production capabilities
- Maximizing product value by strengthening multifaceted management capabilities
- Establishing strong a Unit structure for the implementation and continued development of strategies

FY2024.3 NUMERICAL TARGETS

Segment sales **¥83.0 billion**

Segment profit **¥11.0 billion**

Results forecasts are as of May 2023.

FY2023.3 RESULTS AND RELATED DATA

IP Production Business Number of Copyrighted Products (As of March 2023)

Number of copyrighted products / Total number of hours
Bandai Namco Filmworks Inc. /
Bandai Namco Pictures Inc. /
SUNRISE BEYOND INC.

1,113 products /
5,834 hours

Number of musical works
Bandai Namco Music Live Inc.
Number of works with
master license recordings
Approx. 70,000
Number of works published
Approx. 37,600

Number of Live Events Held
Number of performances*
618

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

MAKOTO ASANUMA

Director (Part-time)
In charge of IP Production Unit
Bandai Namco Holdings Inc.
President and CEO
Bandai Namco Filmworks Inc.

AMUSEMENT UNIT

Unit Mid-term Vision

➡ Responsive to Change—Becoming a Unit that can address change as we move into the future

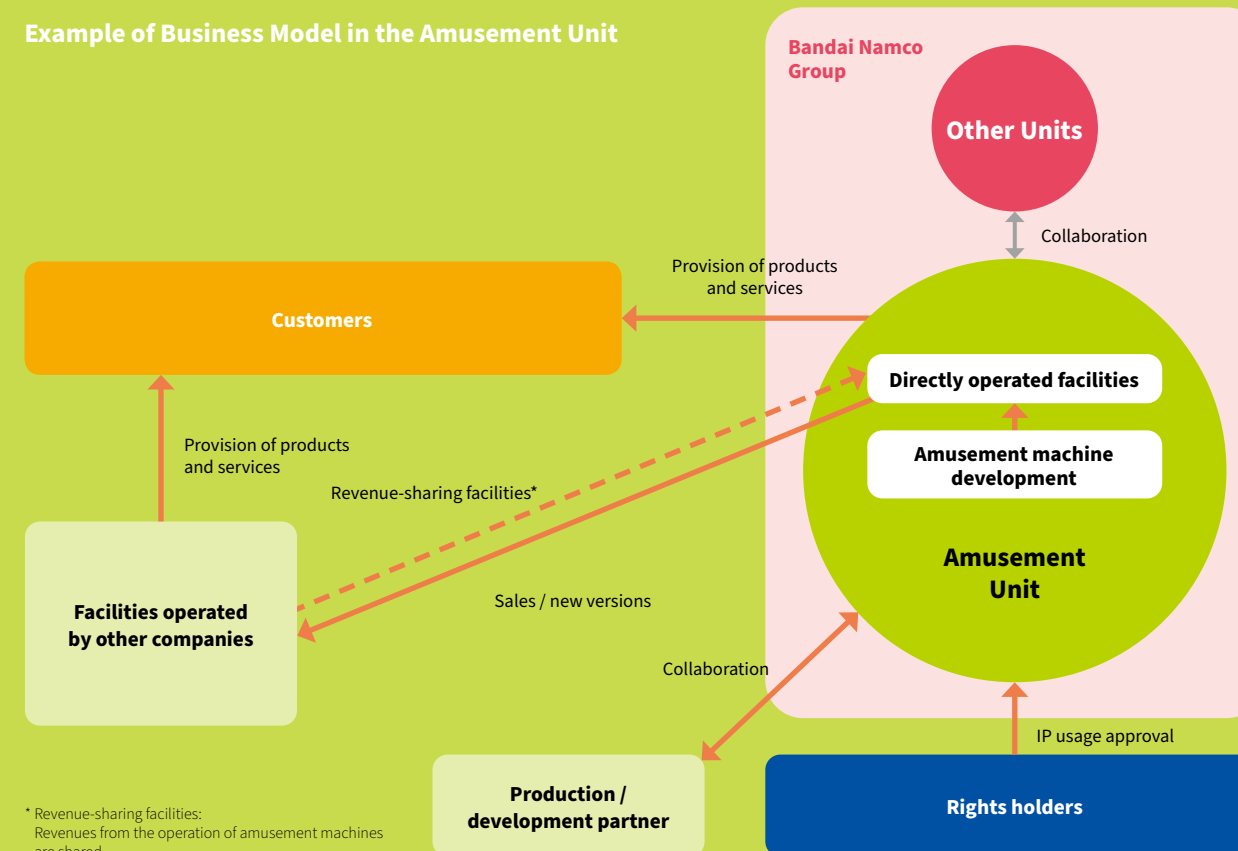
We will contribute to the Group by leveraging our strengths in direct points of contact with fans.

Under the IP axis strategy, the strength of the Amusement Unit is our ability to directly experience and share the enthusiasm of fans through our venues.

In the second year of the Mid-term Plan, we will advance three main strategies. Under Transform, we will roll out initiatives such as Bandai Namco Cross Stores. These facilities will utilize the Group's IP, products, and services and will leverage Bandai Namco's distinctive strengths. Through physical venues, we will provide opportunities for experiencing content, such as IP, products, and services. In this way, we will aim to create further added value. Under Unite, as we did with the new *CLENA3* amusement machine, we will implement product development that leverages feedback from operations staff, which is based on the opinions of fans. Under Control, with the aim of further strengthening our business foundation, we will work to implement management with a focus on cash flow and will continue striving to increase business efficiency. Moreover, as a business that operates many venues, we will also address social issues, such as developing products with consideration for environmental burdens and reducing electricity consumption at facilities.

Going forward, we will continue to work with two points of focus. These are traditional game centers and amusement facilities that fully leverage the Group's strengths and are planned in-house. We will further deepen these points of focus, provide high-value-added content and venues that can be enjoyed by fans, and connect directly with fans. In these ways, we will strive to contribute to the Group.

Example of Business Model in the Amusement Unit



MAIN STRATEGIES

- **Transform:** Change method of implementing businesses
- **Unite:** Continually work together as a Unit to foster optimization
- **Control:** Address circumstances rapidly and flexibly

FY2024.3 NUMERICAL TARGETS

Segment sales **¥110.0 billion**

Segment profit **¥5.0 billion**

FY2023.3 RESULTS AND RELATED DATA

■ Sales by Major Category

Amusement machines
¥31.0 billion

Amusement facilities
¥73.5 billion

■ Number of Amusement Facilities (Global Total)

Directly managed facilities
264 facilities

Revenue-sharing facilities*
698 facilities

Other
10 facilities

Total
972 facilities

* Revenue-sharing facilities: Revenues from the operation of amusement machines are shared.

Results forecasts are as of May 2023.

HIROSHI KAWASAKI

Director (Part-time)
In charge of Amusement Unit
Bandai Namco Holdings Inc.
President and CEO
Bandai Namco Amusement Inc.

Mid-term Vision

Connect with Fans

The Bandai Namco Group commenced a new three-year Mid-term Plan in April 2022. In accordance with the Purpose, “Fun for All into the Future,” as we work toward what we aim to be, we will strive to always meet the needs of IP fans, a wide range of business partners, Group employees, and regions/communities around the world and to foster broad, deep, and multifaceted connections.

Starting on page 36, the special feature section provides messages from people in charge of advancing IP projects in frontline settings. These projects are one of the pillars of the IP axis strategy. In addition, the special feature section introduces initiatives targeted at further business growth on a global basis.

SPECIAL FEATURE **Connect with Fans**—Forging Connections with Fans under the ALL BANDAI NAMCO Concept

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IP×Fan	
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36	Working to maximize IP value through progress with the Gundam Project
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39	Expanding the fan base around the world through <i>Gundam</i> visual works
40	<i>Gundam</i> plastic models continuing to evolve together with fans
41	Expanding new groups of fans with <i>Gundam</i> multi-purpose entertainment facility
IP×Value	
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44	Initiatives aiming to enhance recognition worldwide
45	Contributing to growth in IP value with the <i>ONE PIECE Card Game</i>
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46	The Group Business Strategy Department: Forging Connections throughout the Group
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Main Strategies P.34

IP Axis Strategy P.36-49

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	IP×Fan Connecting with fans through IP	New framework for connecting with fans
	IP×Value Enhancing IP value	Accelerating evolution in the IP axis strategy
	IP×World Connecting the world through IP	Building businesses under the ALL BANDAI NAMCO concept
		Developing diverse human resources
		Connecting to smiles into the future

Numerical Targets for the Fiscal Year Ending March 31, 2025

Consolidated Net Sales: ¥1,100 billion	Consolidated Operating Profit: ¥125 billion	ROE: 12% or more
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Promotion System

- Strengthening governance systems ▶ Transition to a company with an audit and supervisory committee
- Certain changes to the Unit system ▶ Reorganization within the IP Production Unit

ESG SECTION: ROUNDTABLE DISCUSSION AMONG OUTSIDE DIRECTORS, P.50

HISTORY OF OUR MID-TERM PLANS

The Bandai Namco Group was created in September 2005 through the management integration of Bandai Co., Ltd., and Namco Limited. After the integration, the Group moved quickly to leverage synergy effects by implementing a range of internal measures. However, we were not able to respond adequately to changes in our markets and customers. Our operational speed declined and we did not effectively utilize the strengths of each Group company. As a result, our performance was sluggish. In April 2010, we launched the Restart Plan with the objective of transforming ourselves into a speedy group under the IP axis strategy. The Group worked together to maximize the shared value of IP, and in this way we achieved a recovery in our results.

In response to COVID-19, we positioned FY2022.3 as a period for enhancing our business foundation and organizational structure. We started a new Mid-term Plan from FY2023.3.

Connect with Fans

Mid-term Vision

2016.3–2018.3 Mid-term Plan

Mid-term Vision:
NEXT STAGE: EMPOWER, GAIN MOMENTUM,
ACCELERATE EVOLUTION

- Accelerate evolution in the IP axis strategy
- Through the IP axis strategy, gain momentum in global markets
- Empower and innovate business model through Bandai Namco market advantages

2019.3–2021.3 Mid-term Plan

Mid-term Vision:
CHANGE for the NEXT: EMPOWER,
GAIN MOMENTUM, ACCELERATE EVOLUTION

- Accelerate evolution in IP axis strategy
- Empower push into new entertainment
- Gain momentum with the ALL BANDAI NAMCO concept
- Make personnel the core of the Group

2021.4–
2022.3
Enhancing
Business
Foundations
and Systems
for the Next
Mid-term Plan

2023.3–2025.3 Mid-term Plan

2010.3–2012.3 Mid-term Plan

Theme: Developing a global base for growth

- Investments in growing business areas
- Improving profitability of each business

2013.3–2015.3 Mid-term Plan

Mid-term Vision: EMPOWER, GAIN
MOMENTUM, ACCELERATE EVOLUTION

We advanced three business area strategies, which were applied to businesses, and two functional strategies, which were applied on a Groupwide basis.

RESTART!

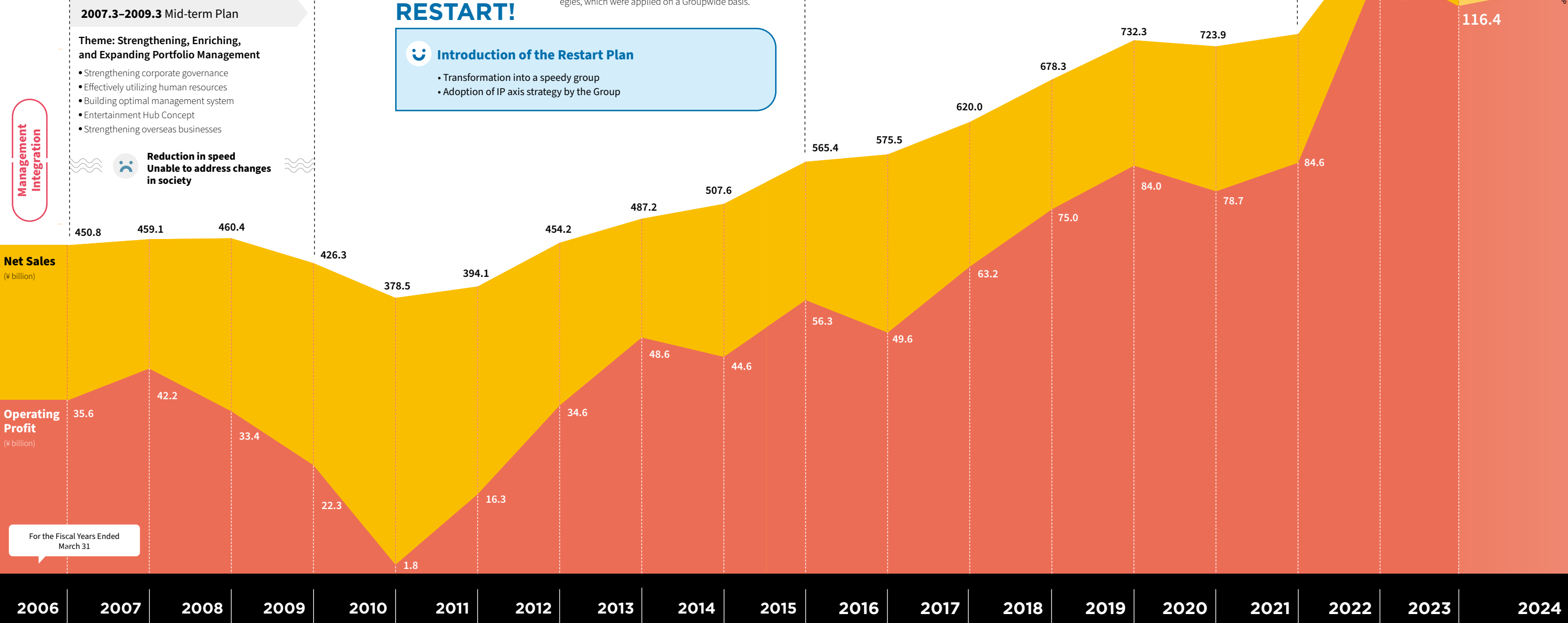


Introduction of the Restart Plan

- Transformation into a speedy group
- Adoption of IP axis strategy by the Group



IP axis strategy: From adoption to acceleration



MAIN STRATEGIES IN THE MID-TERM PLAN: OUTLINE AND PROGRESS

IP Axis Strategy

**IPxFan**

Connecting with fans through IP

As a new framework for connecting with fans, we will develop a metaverse for each IP. In this way, we will aim to provide venues for forging connections among fans and partners in virtual spaces. For these initiatives, we will advance the Data Universe concept for the integrated management of fan data, which up until now has been dispersed among individual companies.

Examples of initiatives in FY2023.3

- Groupwide initiatives**
 - Rolled out Groupwide initiatives for products, services, and marketing in coordination with the opening of *DRAGON BALL* and *ONE PIECE* films
 - Implemented closed testing for the Gunpla Colony (FY2023.3)
 - Advanced the Data Universe concept
- Digital Business**
 - Strengthened development system with focus on quality
 - Established development studios and made development studios into subsidiaries around the world
 - Invested in startups through Bandai Namco Entertainment 021 Fund

Topics

Aiming to maximize IP value on an IP axis with IP projects

For IP rolled out across regions and multiple businesses, we aim to maximize IP value from a long-term, overall optimal perspective through Groupwide projects (IP projects). We will leverage outlets for a wide range of products and services as well as our strengths in facilitating collaboration among digital and physical elements. We will move forward under the ALL BANDAI NAMCO concept, with the producers of IP acting as the control tower for rollouts of IP products and services, online distribution, PR, and events.

SPECIAL FEATURE:
The Groupwide Gundam Project, P.36–41

SPECIAL FEATURE:
The Groupwide ONE PIECE Project, P.42–45

**IPxValue**

Enhancing IP value

We will further strengthen our IP creation and production capabilities through reorganization and strategic investment, etc. In addition, through collaboration with external partners and cooperation with regions and businesses, we will aim to maximize IP value from a longer-term perspective.

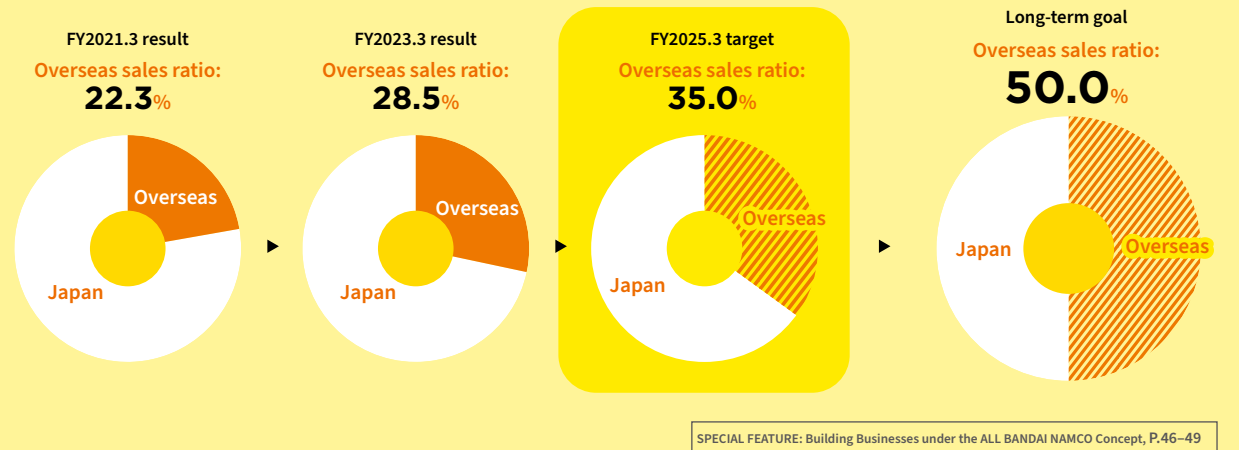
- Toys and Hobby Business**
 - In order to expand global rollouts, strengthened product development initiatives for IP originating overseas, bolstered e-commerce, and reinforced production systems
 - Made stuffed toy manufacturer a subsidiary
- IP Production Business**
 - Consolidated know-how regarding visual, music, and live events through reorganization
 - Strengthened global rollouts of in-house visual works and visual works based on collaboration with other companies
- Amusement Business**
 - Strengthened facility initiatives coordinated with Group IP and products

Bandai Namco Entertainment 021 Fund startup investment fund
In April 2022, Bandai Namco Entertainment Inc. launched Bandai Namco Entertainment 021 Fund, a startup investment fund that is aimed at building the IP Metaverse and creating new entertainment. In FY2023.3, the fund invested in a total of nine startup companies worldwide. By combining the technologies and know-how, such as block-chain and AI, of the investee companies with Bandai Namco's IP knowledge, we aim to strengthen connections with fans and provide new entertainment.

**IPxWorld**

Connecting the world through IP

To work together and advance our strategies under the ALL BANDAI NAMCO concept in global markets, we implemented such initiatives as regional organizational restructuring and business base consolidation around the world. With this system, we expanded global initiatives and strengthened marketing collaboration across businesses. As a result, the overseas sales ratio in FY2023.3 increased to 28.5%. We will aim to raise the overseas sales ratio to 35% in FY2025.3, which is the final fiscal year of the Mid-term Plan, and to 50% as soon as possible.



Investment plan for accelerating evolution in the IP axis strategy

Three-year period covered by the current Mid-term Plan

Total: **¥40.0 billion**

Strategic investment to maximize IP value:

¥25.0 billion

Examples of initiatives in FY2023.3:
SAND LAND Project,
SYNDUALITY Project, etc.

Investment to develop the IP Metaverse:

¥15.0 billion

Examples of initiatives in FY2023.3:
Establishing Group data platform for the Data Universe project

Personnel Strategy

Developing diverse human resources

We aim to be a group that reflects the concept of “same spirit, diverse talents,” so that our human resources, who have diverse talents, individual characteristics, and values but the same spirit, can work

actively with motivation and energy. We will strive to employ and develop diverse human resources, including marketing personnel, creators and engineers, and personnel in administrative units. In addition, we will advance the establishment of environments that facilitate varied working styles, including providing support for employees taking on challenges and developing human resources who will be active in global settings.

ESG SECTION: PERSONNEL STRATEGY OF THE BANDAI NAMCO GROUP, P.56–57

ESG SECTION: EXAMPLES OF INITIATIVES TO DEVELOP HUMAN RESOURCES, P.58–59

For further information about specific initiatives, P.76–79

Sustainability

Connecting to smiles into the future

In accordance with the Purpose, we will work together with fans to promote sustainability activities for the realization of a sustainable society. In addition, we have announced targets for the reduction of energy-related emissions of CO₂, and we will implement initiatives to work toward the realization of decarbonization.

- The Bandai Namco Group Sustainability Policy
 - Identification of material issues
- Five material issues**
- 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
- Medium- to long-term targets for decarbonization

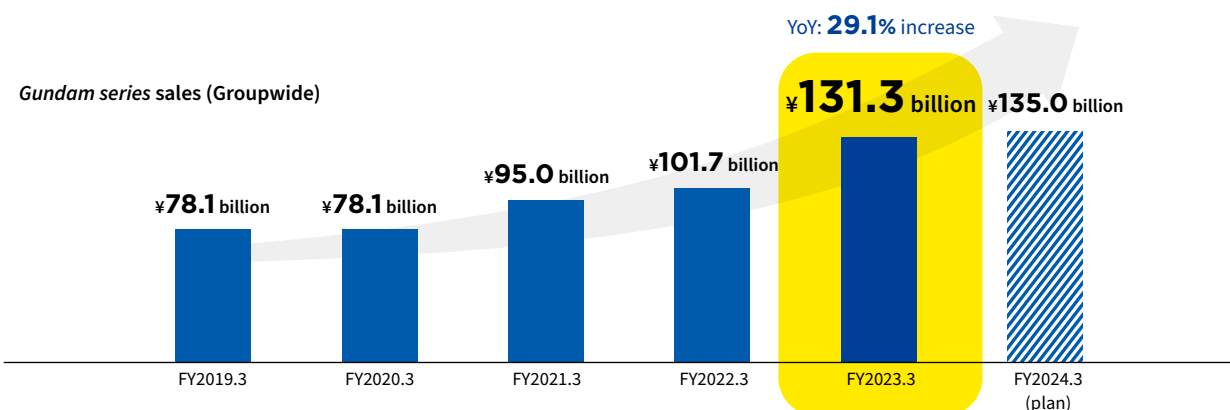
For further information about material issue initiatives, P.69–81

IP×Fan

The Groupwide Gundam Project

01

» Working to maximize IP value through progress with the Gundam Project



A shared understanding about maximizing IP value under the Gundam Project

The Gundam Project has been operated as an internal initiative under which representatives from Group companies gather together to share information and collaborate. The project has been operated since the time of the first Chief Gundam Officer. (The current Chief Gundam Officer is the third). In recent years, the entire Group has had the shared objective of maximizing the value of the *Gundam* IP. We have set targets and formulated strategies from a medium- to long-term perspective, and we have transitioned to the active implementation of initiatives while communicating information outside the Group. Looking at the business scale, we have set a target of ¥150.0 billion in Group *Gundam* sales in FY2026.3, and results are posting steady growth.

Looking at FY2023.3, *Mobile Suit Gundam THE WITCH FROM MERCURY* (hereinafter, *THE WITCH FROM MERCURY*), the first TV series in seven years, started broadcasts in October 2022. Under the Gundam Project, we indicated the direction that *THE WITCH FROM MERCURY* would take,

and we rapidly shared information, such as content and scheduling. This facilitated progress in Groupwide collaboration, promotions from before the start of broadcasts, and a variety of commercialization initiatives in conjunction with the broadcasts.

In particular, in the Toys and Hobby Business, initiatives were centered on *Gundam series* plastic models. In addition, a large number of products were rolled out by businesses in business formats that are different from those of the *Gundam* plastic model business. These included character lottery, amusement prizes, capsule toys, confectionery, and food. In this way, we worked in a powerful manner based on a shared understanding among Group businesses. This resulted in an increase in *Gundam* fans.

Fans providing information to other fans

As with the Group policy, North America and China have been positioned as key markets for *Gundam*. Currently, the scale of the business in China is expanding, and in North America the growth rate is strong.

The Hollywood live-action *Gundam* film is also moving ahead, and we expect this to trigger further gains in recognition in North America. Schedule revisions, etc., have an influence on this project, but we consider it to be an extremely important initiative and we are moving forward on that basis. In China, as seen with the life-sized Freedom Gundam statue in Shanghai, the popularity of *Mobile Suit Gundam SEED* is extremely high. We would like to make the 2024 rollout of *Mobile Suit Gundam SEED FREEDOM*, a theatrical film, into an initiative that increases the popularity of *Gundam* in China.

It has been more than 40 years since the creation of *Gundam*, and recognition of and interest in *Gundam* has increased, not only in Japan but around the world. More than the communication abilities of the Group, this involves the communication abilities of the fans. Of course, the Company provides information about new works, etc. That information spreads in the blink of an eye, as the strong communication abilities of fans promote the appeal of *Gundam* from original perspectives. The advancement of social media and various other networking tools is also a factor. The communication abilities of fans have global reach, and in recent years they have had a major influence on increases in recognition and on business growth.

The objective of the Gundam Metaverse is to connect fans with each other

In October 2023, we will implement a test opening of the Gunpla Colony in the Gundam Metaverse. In addition to the opening up of 3D spaces, plans for the Gunpla Colony include operating *Gundam* plastic model e-commerce shops and implementing scanning of *Gundam* plastic models. The greatest objective of the Gundam Metaverse is to establish a venue for communities that connect fans with other fans. For Bandai Namco, the metaverse is a venue that leverages the distinctive characteristics of digital spaces that enable fans around the world to share moments of time. Fans who visit the metaverse can connect with other fans around the world, and they can share their enthusiasm among themselves. Community activation is important, and accordingly we are preparing services and tools for that objective. We do not know what kind of evaluation we will receive from fans, but we want to make this initiative into something that will truly amaze them. Please look forward to these initiatives.



Image of Gundam Metaverse 3D space

Opening up unlimited possibilities, turning Gundam into social property

From a long-term perspective, we have announced that we will strive to see that *Gundam* has social significance. *Gundam* is representative

of the Group's IP, but we will not strive to keep it within the Group. Rather, we will work to see that it evolves into social property that is recognized in a broader manner by society. In this way, from a different perspective than in the past, we will strive to connect *Gundam* to new businesses and to collaboration with a wider range of partners.

The idea of developing *Gundam* as social property started with the development of the life-size moving *Gundam* that was installed at GUNDAM FACTORY YOKOHAMA. Practically, it was not technically possible for the Group, working on its own, to make the *Gundam* move. However, we brought together nine external partner companies with a variety of specialized skills to take on this advanced technical challenge. One of the common points that connected these external partners was devotion to *Gundam*. Everyone shared the enthusiasm for making the *Gundam* move, and the completed life-size moving *Gundam* inspired not only fans but also those of us who worked on the project. This result was not due to the strength of Bandai Namco. Rather, it was due to the appeal of *Gundam*.

We believe that we can increasingly expand the potential of *Gundam* if we work in this way. That is, if we work not alone but rather together with a variety of external partners with which we exchange ideas. There has also been an increase in connections among fans and regions under the *Gundam* name, such as Gundam Universal Century Development Action (GUDA)*, which was launched in 2021. The ongoing implementation of these types of activities will lead to the emergence of next possibilities.

In 2025, at the Expo 2025 Osaka, Kansai, Japan, we will establish the Gundam Pavilion (tentative name), for which the axis will be *Mobile Suit Gundam*. The concept will be based on such ideas as the future potential demonstrated by *Mobile Suit Gundam*, and the setting will be "Another Universal Century."

We have started to enter a phase in which we can implement a variety of initiatives from a position in which *Gundam* is not from Japan but rather from the world. Going forward, rather than thinking about how *Gundam* benefits the Bandai Namco Group, we will need to consider what Bandai Namco should do for *Gundam*. My mission is to address this directly in order to demonstrate the still untapped potential of *Gundam*.

* A project under which the Bandai Namco Group takes various actions to create a better world for children in the future, collaborating with fans and external partners in the name of *Gundam*. (For further information, please refer to the ESG section P. 66)

KOJI FUJIWARA

Corporate Managing Director
Chief GUNDAM Officer (CGO)
Bandai Namco Entertainment Inc.



NAOHIRO OGATA

Executive Officer
IP Production Group Division Director
GUNDAM Department General Manager
Bandai Namco Filmworks Inc.



02

Visual works initiatives becoming entry points to the IP axis strategy

Mobile Suit Gundam THE WITCH FROM MERCURY appealing to younger generations and fostering growth in new fans

I am responsible for the visual works business at Bandai Namco Filmworks Inc., which creates *Gundam* visual works and implements visual work licensing and promotion.

As the first new TV series in seven years, *THE WITCH FROM MERCURY* started in October 2022. This visual work, which is a new entry point to the *Gundam* IP axis strategy, was created with the aim of making a *Gundam* that would also be accepted by a young generation of fans, including the story and the visual expression. In addition, the *Gundam* Project played a central role in this visual work. Prior to the product rollout, promotional initiatives were implemented on a Groupwide basis. In the past, we have implemented collaboration, with the visual works and *Gundam* plastic



Mobile Suit Gundam THE WITCH FROM MERCURY



Mobile Suit Gundam SEED FREEDOM, a theatrical film

models both playing essential roles. However, under the ALL BANDAI NAMCO concept, this time we broadly implemented *Gundam* initiatives that included elements that had previously been implemented individually by members of the Group. In this way, I think that we succeeded in the challenge of appealing to new groups of fans. Going forward, I would like to leverage this example of success in such areas as the rollout of *Mobile Suit Gundam SEED FREEDOM*, a theatrical film.

Aiming to further increase recognition around the world

As for *THE WITCH FROM MERCURY*, it had been seven years since the previous TV series, *Mobile Suit Gundam: Iron-Blooded Orphans*. However, going forward we would like to release a product in a shorter period of time. The worldwide recognition of *Gundam* is still low, and to expand it on a global basis it will be necessary to work with a sense of urgency. One initiative aimed at further increasing recognition going forward is the live-action film. COVID-19 has had an influence, and there has been a delay in production in comparison with the initial plans. However, we will continue to do our utmost so that this film becomes a trigger for increases in the recognition of *Gundam*.

In 2024, *Gundam* will mark its 45th anniversary. Currently, visual works that are in production include *Mobile Suit Gundam SEED FREEDOM*, which is a theatrical film, and *Gundam Build Metaverse*, which is primarily distributed online. However, for *Gundam*, the 45th anniversary is a transit point, and we are positioning this as a period for preparation for the 50th anniversary. Targeting the maximization of IP value, we will work together with fans around the world to continue to create new *Gundam* initiatives.

03

INTERVIEW

Expanding the fan base around the world through *Gundam* visual works

Mobile Suit Gundam THE WITCH FROM MERCURY recording favorable growth in viewings in North America

I work in the Global Licensing Department, which delivers *Gundam* visual works to fans overseas. In addition, I also work with licensing in the area of products and services, in cooperation with Sotsu Co., Ltd., and other Bandai Namco Group companies.

Currently, the Internet is the main method of delivering visual works to fans overseas. This is a complete change from the former era, when the principal methods were TV broadcasts and packaged product sales. By implementing simultaneous worldwide rollouts through online distribution, and by forging connections among fans over the Internet, we expect to see further growth. There is a certain level of *Gundam* recognition in North America, which is one of the key markets for the Bandai Namco Group. Sales of *Gundam* plastic models are growing, and there are devoted fans. However, in regard to permeation to a general level of customers, there is still room for growth. An environment for the viewing of visual works has been established in North America. The online distribution of *THE WITCH FROM MERCURY* looks like it might have been a turning point for us to step up our initiatives. Initially, online distribution was centered on existing fans, but as the number of episodes rose, the viewing numbers began to increase. This could be considered evidence that new fans are increasing. In addition, I think that another factor is that the Internet distribution platform fosters connection among fans. New groups of fans join, and the buzz increases.

In rolling out visual works globally, one of our major strengths is the fact that we have bases around the world. We can leverage the latest regional information and implement initiatives while working together under the ALL BANDAI NAMCO concept. This leads to the growth of *Gundam*.

Aiming to broadly distribute works and nurture richness of spirit

Going forward, I will strive to contribute to increases in *Gundam* recognition from a worldwide perspective. Countries and regions have various characteristics, such as in the areas of law, culture, and living environments. Difficult decisions will be required, but we would like to actively approach local companies, including online visual product distribution companies, and bolster *Gundam* worldwide rollout initiatives. Targeting a variety of countries and regions, we will strive to deliver visual works in a variety of forms. In line with Bandai Namco's Purpose, I will strive to fulfill my role in a way that enables Bandai Namco to appeal to people's feelings through visual works and to nurture richness of spirit.

Gundam: Requiem for Vengeance, a new original animation produced for worldwide online distribution



AI TAKAI

General Manager
Global Licensing Department
Management Business Group
Bandai Namco Filmworks Inc.



HIROTAKE TAGUCHI

Deputy General Manager
Global Business Department
Hobby Products Division
BANDAI SPIRITS CO., LTD.

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» Gundam plastic models continuing to evolve together with fans

Sales recording growth worldwide

At Bandai Spirits Co., Ltd., I have a responsibility for promotions and directly managed stores for all plastic models, including *Gundam* plastic models. In addition, as a member of the *Gundam* Project, I am involved with the formulation and implementation of measures related to the *Gundam* on a Groupwide basis.

At the end of March 2023, cumulative total shipments of *Gundam* plastic models had surpassed 760 million units. Sales continue to increase worldwide. In overseas initiatives, North America and China have been positioned as key markets. In North America, through events, etc., we are highlighting the fun of making plastic models, and we have started to expand sales routes. In China, where *Gundam* recognition has been high, we are strengthening promotions, including face-to-face initiatives.

In this setting, we implemented promotional initiatives for *THE WITCH FROM MERCURY* prior to the start of broadcasting. The *Gundam* Project played a central role in these initiatives, which targeted the acquisition of new fan groups in addition to the existing *Gundam* fans. From August 2022, we held events that could be enjoyed by all *Gundam* fans, centered on exhibitions of *Gundam* plastic models, in Tokyo, Nagoya, and Osaka etc. We could strongly sense connections with fans in each region. Subsequently, we rolled out ongoing promotions, and we had significant success with our targets—young people between 10 and 30 years old and female fans. We were able to build a large movement that incorporated new groups of fans.

Working together with fans to create the future of *Gundam* plastic models

Gundam plastic models have continued to evolve for more than 40 years. Of course, the *Gundam* plastic models based on *THE WITCH FROM MERCURY* incorporate the skills that we have accumulated to date and our dedication. For the package design, we were conscious of a bright design that is easy to pick up, even for fans who are experiencing *Gundam* plastic models for the first time with *THE WITCH FROM MERCURY*. For the technology aspects, we took steps to design the models so that they are easy for everyone to make, such as focusing on the parts placement and the assembly process. In production, we worked on a daily basis with cooperating partners inside and outside the Group so that the production volume could be increased. We are also planning the construction of a new plant. Going forward, we will continue working to see that these products can be provided to as many fans as possible.

The evolution of *Gundam* plastic models is a result of our listening to feedback from fans and building the future of *Gundam* plastic models together with them. "Connecting and working together to create things," which is an element of the Purpose, is certainly in accord with the evolution of *Gundam* plastic models. In the future, targeting the maximization of the value of *Gundam*, we will continue to emphasize connections with fans as we evolve and expand *Gundam* plastic models.



Mobile Suit Gundam THE WITCH FROM MERCURY plastic model series packaging



An event for Mobile Suit Gundam THE WITCH FROM MERCURY

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INTERVIEW

» Expanding new groups of fans at *Gundam* entertainment complex

Venue for connecting with fans of many types and age groups

In April 2022, we opened the world's first *Gundam* multipurpose entertainment facility—Gundam Park Fukuoka—in Mitsui Shopping Park LaLaport FUKUOKA. This facility has three areas. The shop area has merchandise and a variety of information about *Gundam*. The sports entertainment area enables visitors to enjoy experience-based activities drawing on collaboration with *Gundam*, and the amusement area enables visitors to enjoy crane games, etc. Gundam Park Fukuoka is a facility that can be enjoyed by a wide range of age groups.

Gundam Park Fukuoka is jointly operated by Bandai Spirits Co., Ltd., and Bandai Namco Amusement Inc. Bandai Spirits, which operates as THE GUNDAM BASE, a comprehensive facility for *Gundam* plastic models, has a wide range of knowledge in the area of IP product branding. Bandai Namco Amusement, which operates such initiatives as the namco amusement facilities, has strong skills not only in the development of facilities targeting families but also in the creation of highly exciting customer experiences. Working with *Gundam* as an axis, both companies collaborated from the planning stage for this initiative. The know-how of the two companies in different fields generated motivation, and this initiative became an excellent opportunity for the two companies to deepen their mutual understanding.

New possibilities for the IP axis strategy

Gundam Park Fukuoka has an excellent location in a shopping park, and it draws attention with 1/12-size Nu Gundam and Sazabi statues installed at the entrance. The facility is visited by many customers, including parents and their children. Visitors become absorbed in the activities, including visual works shown on large monitors and amusement machines. While they are immersed in the world of *Gundam*, before they realize it, they notice the extent of what is available, and they want to dig deeper. This is attributable to the formation of a business model of converting customers to fans.

In Fukuoka, THE GUNDAM BASE FUKUOKA was opened in 2019. A variety of *Gundam* promotion initiatives have been held there, and it could be called a major *Gundam* showplace. As a gateway to Asia, Fukuoka has many customers from overseas. Being able to hear feedback directly from a wide range of fans is highly significant for business strategy.

Gundam Park Fukuoka, which was developed on the axis of the *Gundam* IP, has demonstrated new possibilities for connecting directly with fans. With this as a model case, going forward we will strive to maximize IP value under the ALL BANDAI NAMCO concept with even greater international reach.

Gundam Park Fukuoka, a new *Gundam* multipurpose entertainment facility



YASUFUMI YAMASHITA (left)

Manager
Global Business Department
Hobby Products Division
BANDAI SPIRITS CO., LTD.

DAIGO SAWA (right)

Manager
Content Production Team 1
IP Experience Business Department
Solution Business Division
Bandai Namco Amusement Inc.

We will work together with fans, in locations that are close to fans, to open up new areas of business that will provide opportunities for growth for *Gundam* and *Gundam* plastic models.

Yasufumi Yamashita

Under the ALL BANDAI NAMCO concept, we will build venues that are enjoyed by fans in a wide range of age groups worldwide.

Daigo Sawa

IP×Value

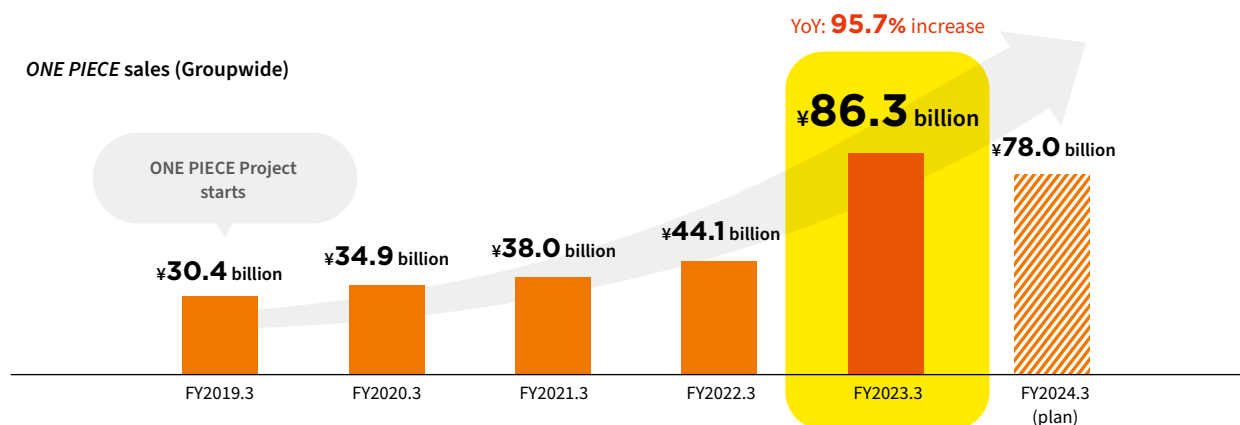
The Groupwide ONE PIECE Project

INTERVIEW

01

Establishing a solid position as worldwide IP

ONE PIECE sales (Groupwide)



Working to maximize the value of ONE PIECE

ONE PIECE started in July 1997 in a weekly youth manga magazine published by Shueisha Inc. It is highly popular with a wide range of age groups. TV animation broadcasts started in 1999. ONE PIECE FILM RED is a theatrical film released in 2022, which marked the 25th year of serialization. It recorded the highest box office revenues of ONE PIECE theatrical films to date.

The popularity of ONE PIECE is spreading around the world, and in this setting the Bandai Namco Group has rolled out a variety of

products and services. In 2019, with the objective of maximizing IP value, we launched the Groupwide ONE PIECE Project. In FY2023.3, in cooperation with the rights holders, we actively collaborated with the release of the theatrical film ONE PIECE FILM RED and the rollout of products and services. We worked to increase recognition in Japan, North America, and Europe. Going forward, we are planning further initiatives on a worldwide basis. I am the leader for advancing this project. My role is to formulate strategies for maximizing the value of ONE PIECE with Bandai Namco Group products and services, and to foster the advancement and evolution of Groupwide activities that are coordinated with strategies.

At Bandai Namco Entertainment Inc., I have worked with ONE PIECE since 2016, as the person with responsibility for development of home video games, smartphone apps, etc. ONE PIECE is an IP that always involves new discoveries, and in working to fulfill my role in the project of maximizing value through products and services, I think that there are still things that need to be done.

Aiming to further increase recognition around the world

To further increase IP recognition and value in global markets, the Group ONE PIECE project involves advancing a variety of initiatives together with the rights holders and partners involved with ONE PIECE.

The opening of ONE PIECE FILM RED, which I mentioned above, led to significant growth in sales of Group products and services. Working in close cooperation with the rights holders, Group companies around the world planned effective promotions in conjunction with the opening. A major point was that the Bandai Namco Group rolled out products and service at once. Actually, for the ONE PIECE Project, Units and businesses were able to cooperate with the same point of view under the ALL BANDAI NAMCO concept. This was a major turning point for the project. The film has achieved record-high box office revenues not only in Japan but also overseas. For the project initiatives, the various measures implemented over the past several years were successful.

The ONE PIECE manga magazine serialization and TV animation broadcasts are ongoing. Fans have something to get excited about every week. Going forward, in the Japanese market, where recognition is high, we will focus on gathering new fans while maintaining and expanding the enthusiasm of existing fans through periodic measures aligned with the progression of the story. And then, in collaboration with regions around the world, we will strive to spread domestic enthusiasm.

In the Digital Business, for which I have responsibility, the main elements are rollouts of smartphone apps and home video games. ONE PIECE Bounty Rush, a smartphone app, has become popular

among younger customers between 10 and 20 years of age. Targeting further expansion, we will strive to increase the overseas sales ratio. Also, the ONE PIECE ODYSSEY home video game. To extend the lifespan of this title, we are considering promotion plans from a long-term perspective.

I think that the appeal of ONE PIECE is that, among the wide range of fans, there are differences in how individual fans interact with it. There are a variety of ways of enjoying ONE PIECE and various points that people like. Continuing to provide multiple games with a concept that makes it possible to address various needs is the fundamental digital game strategy for ONE PIECE.



ONE PIECE Bounty Rush

Taking on the challenge of expanding Group colleagues and maximizing IP value

As we target further maximization of the value of ONE PIECE, going forward it will be necessary to implement collaboration among Bandai Namco Group companies under the ALL BANDAI NAMCO concept worldwide. In order to create significant buzz about ONE PIECE around the world, and to have many fans understand how wonderful the visual works are, it is very important to believe in the major potential of ONE PIECE. Expanding the number of colleagues within the Group who are enthusiastic in the same way and implementing a variety of initiatives will lead to maximization of IP value.

Personally, I believe that I have been extremely fortunate to be associated with the ONE PIECE Project, in a manner that includes the entire Group, at the time when the final chapter is serialized. In an environment that is highly motivating and is also linked to personal growth, I will continue to do my utmost to expand the potential of ONE PIECE from the perspectives of products and services.



REI HIRATA

General Manager
Production Department 3
IP Business Division 1
Bandai Namco Entertainment Inc.



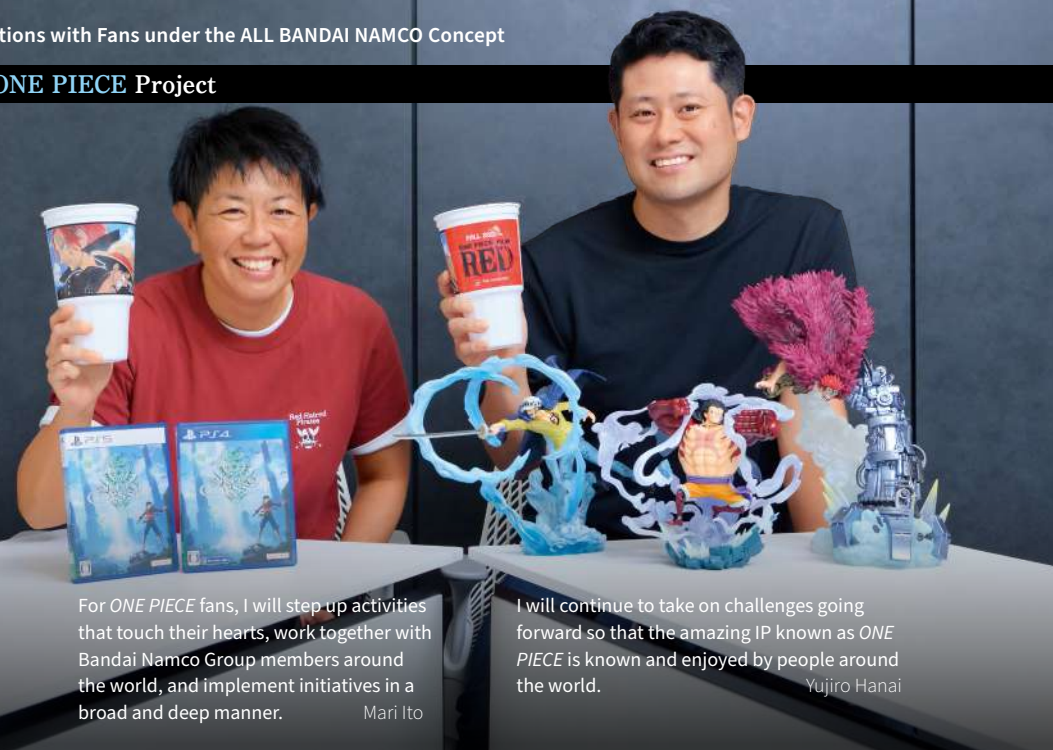
We participated in Anime Expo 2022

YUJIRO HANAI (right)

Assistant Manager
Team 1
Production Department 3
IP Business Division 1
Bandai Namco Entertainment Inc.

MARI ITO (left)

Event & Licensor Relation Senior Specialist
Global Business Strategy Team
Global Marketing Department
Global Marketing Division
Bandai Namco Entertainment Inc.



For ONE PIECE fans, I will step up activities that touch their hearts, work together with Bandai Namco Group members around the world, and implement initiatives in a broad and deep manner.

Mari Ito

I will continue to take on challenges going forward so that the amazing IP known as ONE PIECE is known and enjoyed by people around the world.

Yujiro Hanai

02

Initiatives aiming to enhance recognition worldwide

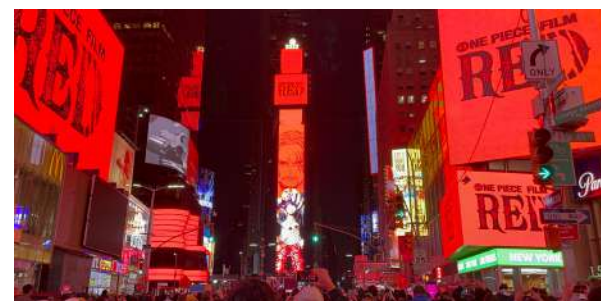
North America, a key market for global initiatives

Working in close cooperation with the rights holders, in North America we implemented a variety of promotional activities in coordination with the theatrical film *ONE PIECE FILM RED*. We took steps to expand recognition among general customers in addition to anime fans. At a local college football game, buzz was created by a marching band performance of theme songs from the film and visual works. In addition, we also implemented a collaborative initiative with a U.S. nationwide fast-food chain. In these ways, we are promoting the visual works in a variety of ways. What generated the most buzz was a *ONE PIECE* takeover of Times Square in New York that used multiple screens and lasted for an hour. This initiative was one of the largest outdoor advertisements for an anime work in history. It was picked up by a variety of media, and it led to the generation of buzz about the film. Going forward, through these types of promotional activities, we will implement even more powerful initiatives so that *ONE PIECE* demonstrates an even greater presence.

ONE PIECE still has major potential in global markets. Looking at the degree of recognition, the Asian region is second after Japan. The next is Europe, where there is a high level of recognition in France. And then, in North America, the success of the theatrical film *ONE PIECE FILM RED* has significantly enhanced recognition, and fans are increasing. In North America, the market scale is large and there is potential for growth. North America plays a central role in the strategies for global rollouts of products and services.

More than anything else, listening to fans and taking their thoughts seriously

More than anything else, what we think is important is listening to feedback from fans around the world. We will place importance on communications with members, who best know the circumstances in local markets overseas. We will work to realize the optimal approach in each region under the ALL BANDAI NAMCO concept. Fans definitely are watching how we work with the IP. Rather than simply pursuing profit, we will work to build environments that generate enthusiasm. To that end, we will listen to feedback from fans and place importance on their thoughts.



ONE PIECE takeover of Times Square in New York using large outdoor screens

03

Contributing to growth in IP value with the ONE PIECE Card Game

Aiming for a high level of appeal and completeness as a card game

Sales of the *ONE PIECE Card Game* started in July 2022 in conjunction with the opening of *ONE PIECE FILM RED*, a theatrical film. In my position as producer, I have been involved with development from the start of planning approximately two years ago. An assumption was that global initiatives would be implemented. As a member of the ONE PIECE Project, I started with the strong idea that making the *ONE PIECE Card Game* a hit would expand the recognition of the IP and contribute to *ONE PIECE*.

In developing the card game, we did not rely only on the strong appeal of the IP. Rather, we placed importance on incorporating elements that would be truly enjoyed by fans of card games. We aimed for high levels of appeal and degree of completeness as a card game. This concept was successful in attracting not only *ONE PIECE* fans but also pure card game fans. In addition, we also focused on the quality of illustrations so that the product would appeal to people who had never played a card game.

In the end, it was a major success right from the launch, and supply continues to be unable to catch up with fan demand, such as at the time of the launch of the new series. Currently, the card game supply situation is gradually improving, and going forward we will do our best to build a system for increased production so that the product can be delivered to a larger number of fans.

Aiming to further increase recognition around the world

For promotional activities, we held experience-based activities with the objective of teaching card game beginners. We also held an international tournament focused on Japan and Asia. From FY2024.3, we plan to add the regions for the simplified Chinese character version and the English version and to hold a worldwide championship. Furthermore, as a part of the ONE PIECE Project, the activities that we were able to implement under the ALL BANDAI NAMCO concept had major effects in stepping up global initiatives. The card game still has the potential for worldwide growth, and it will be necessary to attract a larger number of new fans. Going forward, we will work to steadily secure the trust of fans through solid operations so that we can meet the fans' expectations. Moreover, we will strive to contribute to the maximization of the value of *ONE PIECE* by creating worldwide buzz about the card game, such as through success with global tournaments.



Card game experience-based event



KOHEI GOTO

Assistant Manager
Card Business Department
BANDAI CO., LTD.



Building Businesses under the ALL BANDAI NAMCO Concept

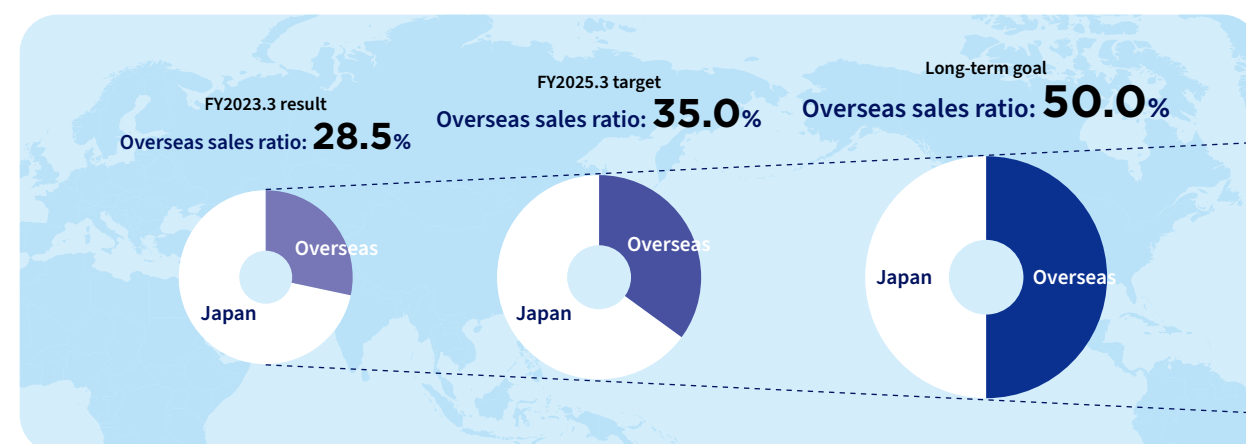
Interview 01

» The Group Business Strategy Department: Forging Connections throughout the Group

Role of the Group Business Strategy Department

In conjunction with the start of the Mid-term Plan, the Group Business Strategy Department was established in April 2022 within Bandai Namco Holdings Inc. In accordance with the spirit of autonomy and independence, the Group's Units and businesses implement business initiatives that demonstrate their individual characteristics. I believe that this is linked to our strengths as a Group. However, to accelerate global initiatives and realize our

long-term target of an overseas sales ratio of 50%, we must build businesses under the ALL BANDAI NAMCO concept in order to work in a more unified manner and to demonstrate our comprehensive strengths. The role of the Group Business Strategy Department is to forge connections throughout the Group from the perspective of overall optimization, while respecting the individuality and independence of each Unit and business. In this way, we strive to foster more effective collaboration and cooperation within the Group while working to resolve a variety of issues. Through these initiatives, we will further accelerate support for global initiatives.



Promotional activities, our principal axis

Looking at our major activities, first, we are focusing on support for such initiatives as large-scale events. Previously, there were events in which Units and businesses participated separately. Now, for these events we are providing support for cross-sectional initiatives involving collaboration and cooperation among companies, with IP as an axis. This has led to the creation of buzz about IP under the ALL BANDAI NAMCO concept. Going forward, in preparation for the establishment of the Gundam Pavilion (tentative name) at the Expo 2025 Osaka, Kansai, Japan, we will work to foster cooperation within the Group.

Our second major activity is working on the Data Universe concept, which will be the foundation of the metaverse. Up to this point, we had been implementing data analysis itself, but there was no unified platform from a Groupwide perspective. For example, in the Digital Business, a development period of three to five years is required for one title. After launch, operations continue for several years, with additional measures for download content, etc. On the other hand, in the Toys and Hobby Business, the PDCA cycle is fast. A short development period might be several months, with more than 30,000 items commercialized in a year. In this way, Bandai Namco has businesses with significantly different characteristics. The Group obtains data through the sales of products and services and through marketing initiatives, and it will be a major strength for the Group if the businesses can mutually utilize that data in an effective manner. From a long-term perspective, I think that, to a certain extent, it will be possible to make forecasts about the future by capturing and analyzing the varied data that is scattered throughout the Group. An important role of the Group Business Strategy Department is to organize the interests of the Units and businesses and collect and utilize large amounts of data from a perspective of overall optimization.

Our third major activity is supporting the creation of new IP. The Bandai Namco Group includes the functions of both licensor and licensee. The fact that the Group has businesses with these different, opposing positions increases the difficulty of coordinating interests. However, it is necessary to leverage unique strengths and characteristics and link them to the demonstration of synergy effects. Targeting the advancement of the globalization of license management, the Group Business Strategy Department will strive to implement the functions of leading the coordination of related parties and fostering the resolution of issues.

In addition, through these types of activities, it is also necessary to secure and develop human resources. In particular, we consider global human resources to be an urgent issue. In regard to the expansion of global business, together with Group personnel departments, we will implement ongoing discussions to consider the Group's approach to personnel strategy in the years ahead.

Always keeping the Purpose in mind, demonstrating the strengths of the Bandai Namco Group

In addition to these activities, the Group Business Strategy Department is also involved with a variety of other initiatives. In this setting, I think that the resolution of various issues will lead to major successes, while including the entire Group under the ALL BANDAI NAMCO concept. The Purpose puts into words ideas that we have always had and implemented. In that sense, it was a very natural process to accept the Purpose. The phrase "connecting with everyone around the world and working together to create things" is the basis of my actions. By including many people around the world, it will be possible for the Bandai Namco Group to record further evolution. I think that the vision of the Bandai Namco Group involves the realization of the Purpose, in its true meaning, while having fun ourselves.

NOBUHIKO MOMOI

Director
General Manager
Group Business Strategy Department
Bandai Namco Holdings Inc.



MIKE CHANG (left)

Vice President
Marketing and Digital Business
Bandai Namco Entertainment America Inc.

MEGAN SAPIN (right)

Director
Sales, Specialty Chain Retail and Distribution
Commercial Sales Department
Bandai Namco Toys & Collectibles America Inc.

In accordance with the spirit of the ALL BANDAI NAMCO concept, we will continue working to make optimal decisions in order to strengthen connections, not only with fans but also among those in the Bandai Namco Group.

Mike Chang

It will be necessary to deepen connections under the ALL BANDAI NAMCO concept, and every day we will challenge ourselves to deliver a better experience for fans of all ages through our products and services.

Megan Sapin

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» North American operations demonstrate the Group's presence under the ALL BANDAI NAMCO concept

Demonstrating even greater potential through the fusion of the Digital Business and the Toys and Hobby Business

In recent years, the shift to digital in the North American market has accelerated rapidly, and the online distribution of visual works is posting strong growth. In this setting, we have seen a surge in the popularity of Japanese anime, which is becoming a mainstream element in the field of visual works. Competition for the time and attention of fans is intensifying.

In the Digital Business, game development expenses continue to rise, and fans want game experiences that offer higher added value. It is increasingly necessary to provide products and services with original value.

With the popularity of anime increasing, the Toys and Hobby Business is implementing development initiatives in a wide range of categories, from *Gundam* plastic models, collectible figures for the mature fan base to capsule toys. These products have become a

core part of the Toys and Hobby Business in North America.

In April 2022, Bandai Namco Entertainment America Inc. (BNEA) and Bandai Namco Toys & Collectibles America Inc. (BNTCA)* moved into the same office in Irvine, California. Over the past year, communication between the Digital Business and the Toys and Hobby Business has been enhanced. We believe that North American operations have been able to demonstrate the Group's presence under the ALL BANDAI NAMCO concept, not on a business axis but rather on an IP axis. For example, we implemented joint exhibits at a *ONE PIECE* event in 2022 and a *SAND LAND* event in July 2023. However, this is just the beginning.

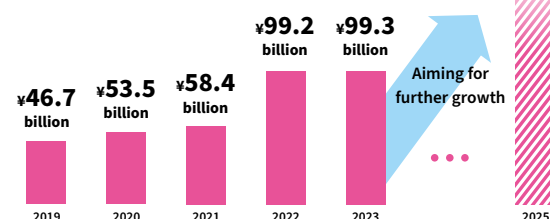
Fans see BNEA and BNTCA not as separate companies or businesses but rather as a single group providing popular IP products and services. That is why it will be necessary to further advance the fusion of the Digital Business and the Toys and Hobby Business. We will be able to create an extremely high level of added value by working across product categories and implementing wide-ranging promotions with the cooperation of both businesses.

Currently, we have just started leveraging our respective expertise and know-how to provide fans with a consistently high level of quality in products and services. However, we are already advancing multiple new projects that demonstrate the potential of the ALL BANDAI NAMCO concept. Going forward, by making further progress with the fusion of the Digital Business and the Toys and Hobby Business, we will strive to generate major synergies and link them to significant growth for North American operations overall.

* Established in April 2022 following the integration of Bandai Namco Collectibles LLC (known as Bluefin) and Bandai America Inc.

Groupwide Sales in the Americas

For the Fiscal Years Ended March 31



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Interview

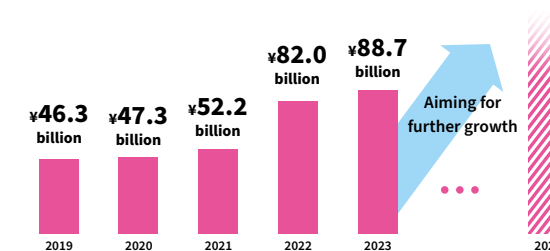
» China operations aiming for rapid initiatives under the ALL BANDAI NAMCO concept

Combining the strengths of the Digital Business and the Toys and Hobby Business, implementing initiatives with a focus on speed and cooperation

Looking at the Chinese market in FY2023.3, the Digital Business and the Toys and Hobby Business were both significantly affected by COVID-19. The Digital Business in mainland China is centered principally on network content. We worked to increase customer satisfaction by focusing on new versions of existing titles. In the Toys and Hobby Business, we are implementing initiatives in a wide range of businesses, including toys, plastic models, capsule toys, and character lottery products. We were affected by lockdown-related store closures and COVID-19 countermeasures, etc. In this setting, we are actively taking on the challenge of new initiatives, such as the candy toy business etc.

Groupwide Sales in Asia

For the Fiscal Years Ended March 31



In January 2022, Bandai Namco Entertainment (Shanghai) Co., Ltd. (BNESH) was established as a company integrating the Digital Business and the Toys and Hobby Business. We are gradually starting to see effects from collaboration, such as with products and services and joint events. In March 2023, we held the first BNESH comprehensive event. We were able to highlight the appeal of new forms of entertainment fusing the Digital and Toys and Hobby Businesses.

Ultraman has high levels of recognition and popularity in the Chinese market. Going forward, one of our major goals is to increase enthusiasm for *Gundam* in China and to make *Gundam* a representative of Japan-originated IP. In 2021, a life-sized Freedom Gundam statue was constructed in Shanghai. In addition, in various locations we have opened comprehensive *Gundam* plastic model facilities under the name THE GUNDAM BASE SHANGHAI. Sales are favorable. For initiatives in China, in order to more fully demonstrate the effects of integrating the Digital Business and the Toys and Hobby Business, we are planning collaborations with network content and events, and we will aim to increase recognition.

The Chinese market changes rapidly, and it is extremely important to address those changes quickly. Accordingly, we will aim to combine the strengths of the Digital Business and the Toys and Hobby Business and work in a unified manner to create new entertainment aligned with the characteristics of the Chinese market.

BANDAI NAMCO

I believe that my mission is to provide fans in mainland China with large numbers of toys and hobby products.

Tsuyoshi Higashi

My dream is to create and provide world number-one game titles through my work at Bandai Namco.

Qi Rui

QI RUI (right)

General Manager
Game Department/Marketing & Strategy Advancement Department
Bandai Namco Entertainment (Shanghai) Co., Ltd.

TSUYOSHI HIGASHI (left)

Vice President
General Manager
Pioneer MD Department
Bandai Namco Entertainment (Shanghai) Co., Ltd.

➡️ ROUNDTABLE DISCUSSION AMONG
OUTSIDE DIRECTORS

We will strive to support more sustainable growth for the Group by increasing governance effectiveness and carefully reviewing Group management strategies.

It has been one year since the Bandai Namco Group made the transition to a company with an audit and supervisory committee and changed its management system in 2022. The Group has posted favorable results, and the possibility of achieving net sales in excess of ¥1.0 trillion has come into view. In this setting, five directors, including Audit & Supervisory Committee members, had an open discussion about further strengthening Group management.



ESG SECTION: ROUNDTABLE DISCUSSION AMONG OUTSIDE DIRECTORS



Toshio Shimada

Outside Director



Koichi Kawana

Outside Director



Toru Shinoda

Outside Director
Audit & Supervisory
Committee Member



Satoko Kuwabara

Outside Director
Audit & Supervisory
Committee Member



Takayuki Komiya

Outside Director
Audit & Supervisory
Committee Member

One year since the transition to a company with an audit and supervisory committee

Kawana Against a background of major changes around the world, corporate governance is changing. Bandai Namco is a company that embodies these new developments. One example of this is the transition to a company with an audit and supervisory committee.

Detailed decisions have been delegated to the Full-Time Officers Committee, and the matters presented to the Board have

been streamlined. The Board is now able to focus on broader discussions. A variety of measures to increase effectiveness are being implemented, such as holding off-site meetings. In place of the previous Audit & Supervisory Board members, the Company now has Audit & Supervisory Committee members, who are directors and have voting rights. They have a more powerful voice as they participate in discussions.

Kuwabara Up to this point, the Board has addressed our opinions and continued to evolve. As a result of the change in organizational structure in

2022, I think that there has been a degree of progress in the sharing of thoughts regarding the transition to a monitoring board. Importance is placed on cooperation between the Board and the Audit & Supervisory Committee. In this setting, what I noticed after transitioning to an Audit & Supervisory Committee member is that governance-related discussions are shared more rapidly, and it is easy to establish a shared understanding with the full-time committee members. I think we should leverage this position and work to deepen cooperation among outside directors.

Shimada

It has been two years since I began this position in 2021. Looking back at the changes over that period, certainly the transition toward a monitoring board has accelerated. A framework for broader discussions by the Board has been established. However, in matters presented to the Board and in the flow of meetings, some elements remaining from the previous system can be seen. Going forward, we will be in a phase of completing the transition through the efforts of the entire Board.

Shinoda

Looking at the 2022 reforms from the perspective of a director and Audit & Supervisory Committee member, one aspect was strengthened collaboration with the Internal Auditing Division. Also, from before, meetings for Audit & Supervisory Board members and others in the Group are held once per quarter with the business management companies. From FY2023.3, a similar framework has been established within each Unit. I think that these are effective measures for

increasing the awareness of people involved with auditing throughout the Group.

Komiya

Prior to becoming a director and Audit & Supervisory Committee member of the Company in 2022, I worked as an Audit & Supervisory Board member at Bandai Namco Amusement Inc. With the move from a business management company to the holding company, and from a position that does not have voting rights to one that does, my role has changed. I am dealing with my duties with a greater intensity. Going forward, I will strive to leverage my experience in order to contribute in the new environment.

Evaluation of results in FY2023.3

Kawana

The fiscal year under review was an epoch-making term. Successes included *ELDEN RING*, a major hit, and the possibility of achieving net sales of ¥1.0 trillion came into view. In

particular, I would like to acknowledge the record-high results in the Amusement Business. Achieved under challenging conditions during the COVID-19 crisis, this performance was the result of efforts to enhance employee motivation while advancing structural reforms. I think this was a favorable sign for new initiatives under the ALL BANDAI NAMCO concept.

Shimada

I have no issues with the results. It was a performance worthy of praise. In particular, the Group's earnings balance, such as for the Amusement Business, has begun to improve. However, at the end of the term there was an announcement regarding the recording of valuation losses on work in process, etc. Of course, it was good to carefully review the business plan in preparation for FY2024.3, but in the sense of dialog with markets, it seems that there is likely a need to further increase accuracy in operations and in setting forecasts.

Shinoda It was a year in which the Group's capabilities were demonstrated by the outlet strategies for a variety of IP, such as *ELDEN RING*. On the other hand, aggressive business activities led to valuation losses, etc., and record high profits were not achieved. I think there is a need for improvements so that, as necessary, course corrections can be made at an early stage in accordance with more accurate business forecasting.

Kuwabara The favorable results in the fiscal year under review were the result of the steady planting of seeds on a rolling basis, as seen in the growth in the business for the mature fan base in the Toys and Hobby Business. This reinforced my sense of the importance of nurturing and broadening IP from a medium- to long term perspective. In addition, with ongoing trends toward a growing scale in game development and a focus on quality, there were some issues regarding the management of the development process.

Komiya By business, there were varying results on an annual basis, but overall the businesses complemented each other, and the Group

continued to record high growth. I think this was a first-rate accomplishment. On the other hand, the scale of the valuation losses was surprising, and I think the Company should strive to avoid repeating this situation. There is a need to verify the process and apply the lessons learned in the future.

Toward the permeation and practical application of the Purpose

Kawana Looking at the Purpose and ESG issues, Japanese companies often tend to start with the form, but what is important is the content. Bandai Namco should work to ensure thorough permeation throughout the Group, so that the philosophy is reflected in actual behavioral patterns. At the Group employees themselves are having discussions in a variety of venues about putting the Purpose into practice. It will be important to continue this attitude in the future, and to work on this issue while utilizing the PDCA cycle.

Shimada The approach of emphasizing fans and the world has always been deeply rooted in the

Group's culture. The Purpose has put that into words. In that sense, perhaps the Purpose has already permeated throughout the Group. Having said that, there are potential markets other than current fans. Also, we should be careful not to make the mistake of considering the "the world" to mean "outside Japan."

Shinoda Certainly, the Purpose has always been a part of the corporate culture. However, the fact that it has been put into words has further advanced its permeation, and given rise to a sense of unity in the Group. I think that the new logo's speech bubble effectively expresses the concepts of the Purpose, such as "communication" and "connections." This should also be of use in fostering permeation outside of the Group.

Kuwabara In the previous employee climate survey, there were many positive answers related to employee engagement and, in particular, more than 70% indicated that they could identify with the Company's corporate philosophy. Looking at these results, I have the impression that many people identify with the Purpose.

Komiya I strongly agree with the point that the Purpose has expressed in words the corporate culture that the Group has always had. It has a bright, fun image, and I think the Purpose is excellent.

Content of statements at meetings of the Board of Directors

Kawana One thing that I am always aware of is the perspective of project management. Recently, anime and game projects have become larger in scale and more complex, and there are also many technical challenges. The question of how these will be managed is increasingly important. In addition, in regard to regional strategies around the world, I am working to ask a variety of questions to the people involved in business executions and to foster candid exchanges of opinions.

Shimada Something I often emphasize is the method of acquiring data. It is not the case that simply obtaining data is sufficient. For example, looking at a plant, it is necessary to implement a feedback loop linking the production line data to increases in productivity/quality. With the Data Universe, rather than acquiring data separately from each business, it will be necessary to standardize data granularity in advance.

Shinoda Aside from the operation of individual businesses, it is desirable to have a certain level of discipline for the Group in the areas of governance and administration. As a recent example, at certain business companies there was a mismatch between sustainability-related KPIs and the Group's material issues. I strive to point out these issues each time.

Kuwabara As a director and Audit & Supervisory Committee member, I am aware of defensive governance. For example, with compliance cases, in some ways the corporate culture is in the background, such as the appropriateness of measures to prevent a recurrence, subsequent follow-up, and highly personal issues. Regarding these types of points, I exchange opinions with the full-time committee members, and if there seems to be an issue, then the business execution side is urged to pay attention, such as through the Board of Directors.

Komiya I consider matters and make judgments based on my experience as a certified public tax accountant and a CPA. Business activities always involve tax issues and, accordingly, for especially important matters I work to offer necessary opinions from that perspective.

Experiments at the Vision Meeting

Kawana In 2022, the Vision Meeting was newly established as a venue for the exchange of opinions among all directors. This is different from meetings of the Board or off-site meetings for directors. Meetings are held twice per

"With the Data Universe, rather than acquiring data separately from each business, it will be necessary to standardize data granularity in advance."



year. Each time a theme is set, and in 2022 the meeting was led by an outside director. There are no resolutions to be voted on, and there is no particular order to statements. I think that the Vision Meeting is functioning effectively as a venue for mutually enhancing knowledge, with everyone bringing their own perspective.

Komiya In the most recent meeting, I served as chair. We were able to share an awareness of issues faced by companies, as well as challenges. I think that the Vision Meeting is a significant venue, even if there is room for consideration in the future about the way the meetings proceed.

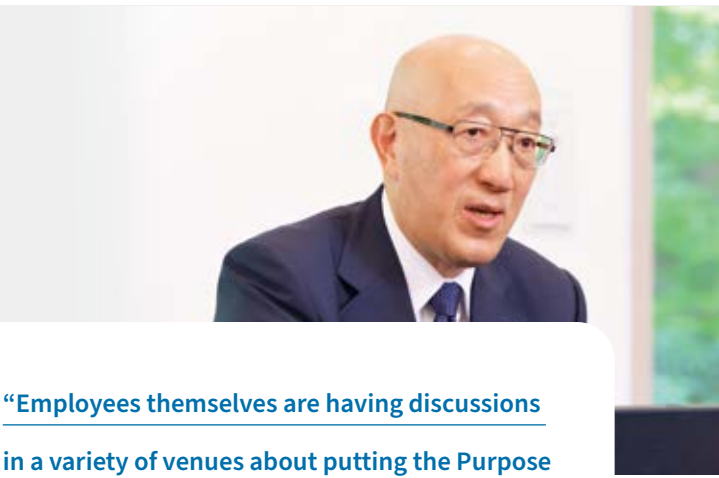
Kuwabara Under the framework for meetings of the Board, the internal director in charge of each proposal is present, and it is difficult for other internal directors to participate in discussions. We wanted to change that point. The Vision Meeting was established following an evaluation of the effectiveness of the Board of Directors. The secretariat office preparation materials have been minimized, and with major themes such as personnel strategy and the IP axis strategy, open discussions are held. Lively discussions are held among the inside directors, and our knowledge and awareness of issues is deepened. I think that this was an excellent initiative.

Shinoda I can sense the enthusiasm of the inside directors in regard to IP and entertainment, and I think this is very meaningful. As a result of the alignment of the opinions of the inside and outside directors and others, I expect to see better initiatives rolled out.

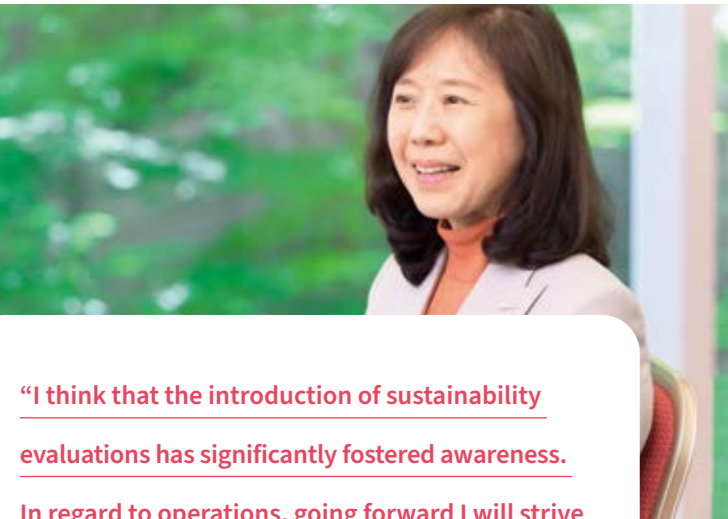
Shimada This is operated in a very casual manner, and has become a good opportunity to deepen mutual understanding. Through the accumulation of this experience, discussions at meetings of the Board of Directors will likely become easier. As the first step in new initiatives, I think the Vision Meeting was an excellent idea.

New framework for remuneration of directors

Kawana In 2022, substantial revisions were made to the framework for remuneration of directors (excluding Audit & Supervisory Committee members and outside directors). A certain level of remuneration is desirable because it is indispensable to enhance the motivation of directors in order to increase corporate value and, in addition, to gather excellent resources globally. More than anything else, in regard to performance-based stock compensation as variable remuneration, given the favorable results in recent years, the consolidated operating



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“I think that the introduction of sustainability evaluations has significantly fostered awareness. In regard to operations, going forward I will strive to learn from past examples while considering a better method of system operation.”

profit indicator is nearing the performance condition upper limit. I think that perhaps there is a need to look at whether or not this is functioning as an incentive.

Shimada The operating profit performance condition of ¥75.0 billion to ¥125.0 billion is certainly conservative, and I think maybe there is a need to reconsider this for the next Mid-term Plan. However, I think that it is basically appropriate to have variable remuneration at approximately 60% of annual remuneration.

In addition, sustainability evaluations were introduced. These incorporate the results of activities aligned with material issues and indicators related to engagement, etc. In FY2023.3, the assessment was neutral. With a focus on the TCFD recommendations and trends in legally mandated disclosure items, it will likely be necessary to have continued discussions about the best method of system operation.

Kuwabara I think that the introduction of sustainability evaluations has significantly fostered awareness. The operation of the system is still in a process of trial and error. In FY2023.3, there were some favorable factors. However, this was the first year since its introduction, and

the assessment was neutral. Going forward, I will strive to learn from past examples while considering a better method of system operation.

Sustainability initiatives

Kawana Addressing the issue of plastic is something that the Company cannot avoid. Targeting a reduction in the environmental burden not only for the Group but also for the entire supply chain, the Group Sustainability Committee is holding discussions, and initiatives are being advanced in a variety of frontline settings. I think that it is the Company's mission to demonstrate initiative in its specialty fields and to foster involvement of related parties around the world.

Shimada It is necessary to formulate well-defined standards. From the perspective of the sustainability of the business itself, what is the central value that the Company must create? What management resources should the Company hold on to? When a company is quick to rely on outside manufacturing due to rapid business expansion, then there is a possibility that it will invite a hollowing out. Of course, I think that each front-line setting has these types of

standards, and accordingly I think perhaps there is a need to put these into words and share them.

Shinoda Human capital is the most important management resource supporting sustainable growth. In the fiscal year under review, when we did a focused check of the Group's personnel strategy, at the level of individual businesses, each company was advancing the personnel strategy in connection with management strategies. We did not see any major problems. On the other hand, looking at personnel in a cross-sectional manner that extends across businesses and regions, there were some issues remaining. In order to reinforce the overseas business foundation, the nurturing of global personnel in administrative Units is an urgent task.

Kuwabara In regard to diversity, I think that the recent appointment of a female inside director at the holding company represents excellent progress. Looking at the nomination process, Ms. Udagawa has been highly evaluated, and everyone on the Personnel Committee was in agreement with the conclusion. In addition, the ratio of female managers at business management companies has begun to increase. However, there is still room for improvement for the Group overall.

In regard to the issue of plastics, in the short term we should start with initiatives that we can implement, as has been done with the collection of runners. And then for the future, I think we should prepare for game-changing initiatives.



“Looking at personnel in a cross-sectional manner that extends across businesses and regions, there were some issues remaining. In order to reinforce the overseas business foundation, the nurturing of global personnel in administrative Units is an urgent task.”

Komiya One issue is how to strengthen organizations and human resources for the management of sustainability activities. There are specialized positions in the holding company, but there are differences among the business companies in terms of the management functions. There is a need to standardize management frameworks on a Groupwide basis.

Importance of the personnel strategy

Kawana The Group is very popular among people seeking jobs, and is ideally suited for nurturing young employees. It is important to give authority to employees while they are young, to have them experience small successes and major challenges, and to give them a broad perspective. Enhancing the diversity of the workforce in terms of gender and nationality will contribute to the advancement of diversity for the entire Group. Overseas, it will be necessary to hire local employees who have the ability to formulate strategies and to step up global personnel exchanges.

Shimada At this point, when Bandai Namco is recording continued growth, it will be necessary to secure unique human resources. In an era of generative AI, unique creativity requires unique human resources.

Also, it is important to actively hire people who have something that they want to do. Digital transformation (DX) can be used to support these people through digital initiatives. In particular, I do not



“Currently, the Group's results are favorable, and it is excellent timing for benefits for human resources. In parallel with investment in businesses, I think the Group should work to enhance a variety of policies and frameworks.”

think there is a need to make a special point of developing people with skills in DX.

Shinoda Looking at the demand for human resources within the Group, in comparison with marketing personnel, I have the impression that the Group is somewhat thinly staffed in the area of personnel in administrative Units. With the Group's scale increasing rapidly, there is a need to strengthen the administrative function for the organization as a whole.

Kuwabara For the Group to grow, collaboration among a wide range of human resources is essential, including those inside and outside the Group. Those involved in business execution seem to recognize the importance of the personnel strategy and are advancing a variety of ideas. I expect people to implement appropriate measures while looking over the business as a whole.

Komiya Currently, the Group's results are favorable, and it is excellent timing for benefits for human resources. In parallel with investment in businesses, I think the Group should work to enhance a variety of policies and frameworks.

Toward further increases in corporate value

Kawana What is important for outside directors is to ask carefully considered questions from an

outside perspective. Going forward, I will continue to work to see that discussions at meetings of the Board of are meaningful.

Shimada What is important for outside directors is to ask carefully considered questions from an outside perspective. Going forward, I will continue to work to see that discussions at meetings of the Board are meaningful.

Shinoda At this point, when results are favorable, the Group has an opportunity for thorough compliance. I will strive to contribute to establishing systems for addressing problems early and preventing them from becoming major issues.

Kuwabara Results continue to be favorable. I think that it is at times like this that there is a need to reconsider current circumstances and prepare for the next growth stage. I will strive to contribute to further gains in the Group's corporate value, centered on governance.

Komiya The position of outside director and Audit & Supervisory Committee member for the holding company is distinctive. Based on my business company audit experience, I will do my best to contribute while thinking about the meaning of this position.

Targeting the realization of the Purpose, we will work to create a favorable cycle with a personnel strategy that leverages the Group's strengths and the characteristics of Group companies.



ASUKA SHIMIZU

Deputy General Manager
Global HR Management Team
Human Resources Department
Bandai Namco Business Arc Inc.

TAKASHI KANEKO

Executive Officer
Division General Manager
Group Administrative Headquarters
Bandai Namco Holdings Inc.

KOJI HAMANO

General Manager
Human Resources Department
Group Administrative Headquarters
Bandai Namco Holdings Inc.

Group personnel strategy closely tied to management aligned with the Purpose

The Bandai Namco Group's personnel strategy is inseparable from management strategies. The Purpose, which was formulated in April 2022, is also the ultimate definition of the personnel strategy. With the Group targeting "Fun for All into the Future," the role of human resources includes establishing an environment that transcends boundaries between Units and businesses and enables the ongoing pursuit of smiles and happiness. This environment will facilitate a focus on the future under the ALL BANDAI NAMCO concept, including those of us in human resources.

In addition, in the Bandai Namco Group, each company has significant discretionary power in conducting its operations. This also applies to the personnel strategy. Accordingly, the Group's personnel strategy has two axes. The business company personnel strategies, which are coordinated with individual business strategies, comprise the first axis. The second is the Groupwide personnel strategy, which extends across the business company strategies. The expression "same spirit, diverse talents"* embodies

the diversity of the Bandai Namco Group. Looking at matters that are related to this expression, one is the development of a wide range of diverse talents. Another, which is close to "same spirit," is the shared identification with the Purpose in a Groupwide culture and environment that enable the active use of diverse talents.

For example, the Mid-term Plan calls for securing and developing marketing personnel and creators/engineers, etc., as diverse human resources in a variety of fields. The Group is advancing open discussions about this matter, centered on the business companies. In contrast, securing and developing personnel in administrative departments is positioned as a Groupwide issue, and this is a theme for which the Group Administrative Headquarters must take the central role. Furthermore, in expanding operations in global markets, there are significant differences in personnel strategies depending on whether the Company dispatches employees from Japan or emphasizes local autonomy. Under the current Mid-term Plan, we will implement a variety of initiatives to optimize strategies for individual companies and to maximize Group results.

* This expression refers to a group of people who have the same spirit but different talents and characteristics.

Permeation of the Purpose and engagement

Looking at initiatives in FY2023.3, the Purpose was addressed as a topic in Groupwide new officer training, training by years with the Company, and position-based training. We received a substantial amount of positive feedback, including from younger employees. Going forward, we will further enhance these programs so that additional progress is made and everyone has a sense of personal ownership regarding the Purpose.

In addition, for Group employees around the world, we implemented the first global employee climate survey. Among the items in the survey, in particular, the engagement indicator was substantially above the benchmark. One element of Bandai Namco's strength is an environment that enables employees to work with motivation. We believe that this demonstrates the positive relationship between employees and the Company, and it also shows the attachment of employees to IP and the Group. We will continue to implement the survey in the future. We will track trends on an ongoing basis, centered on engagement and employee satisfaction, and we will work to sustain and enhance the results.

Toward more substantial diversity and inclusion

Establishing an environment in which diverse human resources with various talents, individual characteristics, and values can work in an energetic, active manner, irrespective of whether they are new graduates or mid-career hires, and regardless of their gender, age, nationality, race, religion, or sexual orientation, is the way to achieve diversity and inclusion. We are working to address issues, centered on the Japanese Group, which has a large workforce. In April 2023, Japanese Group companies introduced the Partnership System for people in same-sex relationships. In addition, the ratio of female managers at the five major Group Companies* was 21.2% at the end of March 2023. Among younger employees, where there is a high percentage of women, we are starting to see a prominent trend toward active careers. Going forward, we will strive to build an environment that develops future leaders from this group. From FY2024.3, on a Groupwide basis, we will implement career support seminars for female employees who have experienced childbirth and child-rearing, etc. Also, in addition to

addressing the issue of long work hours, we are working to establish environments that are supportive after employees return to work. To that end, we are working together with related Units, centered on personnel departments at Group companies, to consider a variety of measures. On the other hand, looking at the employee climate survey mentioned above, there is room for improvement in the item regarding the environment for male employees utilizing childcare leave. Going forward, we will continue to enhance the environment for the utilization of this leave on a Groupwide basis and to step up our progress.

* Four business management companies and Bandai Spirits Co., Ltd.

Toward further growth on a Groupwide basis

In FY2024.3, the second year of the Mid-term Plan, the global personnel database for which we advanced preparations was placed into operation. As a result, we have a bird's-eye view of Groupwide personnel shortages and surpluses as well as distribution imbalances. Currently, we gather a limited amount of quantitative information, but we are aiming to expand this going forward.

We expect that the utilization of data will facilitate the implementation of optimal Group personnel allocation and employment strategies from more of a management perspective.

In addition, due to the COVID-19 crisis, travel by overseas employees had been restricted for the Global Next-Generation Managers Development Program. From FY2024.3, this program will be returned to its original form, with exchanges among overseas employees. Recently, a trend of combined training in overseas areas has spread, and going forward we would like to see this linked to new initiatives.

We recognize that, against a background of the Group's business activities and solid results, our recruitment initiatives have received a high degree of attention in recent years. Nonetheless, entertainment is also an industry that undergoes dramatic change. Accordingly, to secure human resources who will lead the Group's further growth, we would like to establish the creation of workplace environments with ongoing appeal. Going forward, we will work to support further increases in corporate value by advancing measures to maintain and enhance engagement and other initiatives.

Comment

Through an appropriate personnel strategy, I will work to establish a favorable cycle that facilitates smiles and happiness for Group employees while contributing to stable business growth.

Takashi Kaneko

Our job is to build steady foundations. Going forward, I would like to do meaningful work by establishing venues that make it possible to actively utilize diverse individual characteristics in a way that is especially appreciated when people look back after several years.

Koji Hamano

We have access to large volumes of data about personnel. We will strive to leverage this asset in order to support the establishment of an environment that enables the Group to continue working to create smiles and happiness into the future.

Asuka Shimizu

⇒ EXAMPLES OF INITIATIVES TO DEVELOP HUMAN RESOURCES

Case Study

Developing animators in the IP Production Business

OSAMU TANIGUCHI

General Manager
Production Department and Production Administration Department
Vice Division Director
IP Production Group
Bandai Namco Filmworks Inc.



SUNRISE Drawing Academy

Developing animators who will have wide-ranging viewpoints and support the animation industry in the future

In the animation industry, there has been a shortage of animators for some time. From an early stage, we have advanced initiatives to develop the human resources who will support the next-generation animation industry. We are providing a large number of visual works, and all of them are created by people. In the end, it is the human resources themselves who are the foundation of the animation industry. In that sense, we are advancing personnel development initiatives that enable human resources to acquire a breadth of experience while making visual works. This will enable young animators, such as future director candidates, to demonstrate their diverse talents.

Specifically, in addition to SUNRISE Drawing Academy,* which was opened in 2018, we opened SUNRISE Art Academy* in

2021. For employees, we have also opened the Technical Directing School and the Scenario School. Under these initiatives, we invite highly experienced technical directors and well-known scriptwriters. These initiatives are steadily showing results, and there are large numbers of graduates working on production front lines in such positions as director and main animator, both in-house and externally. Given these results, the number of applicants is increasing, leading to a favorable cycle under which outstanding graduates are produced. The graduates include not only people working in-house but also people active at outside production companies. We strongly believe that there is a need to continue these initiatives, including to support the future animation industry.

Going forward, I would like to take on the challenge of developing human resources in local markets, such as at production studios around the world. Furthermore, I would also like to implement activities from a different viewpoint than in the past. For example, with an exchange study program, human

resources who were developed overseas could gain production experience in Japan, and human resources in Japan could gain experience overseas.

To further advance the IP axis strategy, it will be necessary to develop animators with new viewpoints. Our development policy reflects an awareness of the acquisition of a range of experiences. For example, we respect the various wishes of employees and respond flexibly in such areas as position changes. Going forward, we will strive to contribute to the further activation of the animation industry by developing animators who will support long, stable lives for the Group's established IP as well as the creation of new IP. This is a mission that we must continue.

* Under this system, external recruitment is conducted in accordance with the application guidelines. Training related to animation drawing and art is provided. Working animators, art directors, and art staff serve as instructors, and students receive grants that provide support for their daily lives. The aim is for students to acquire skills and knowledge that will enable them to actively contribute in actual work settings after six months to a year of practical training.

ESG SECTION PERSONNEL STRATEGY

Case Study

Developing game creators for the content business

FUMIHIRO SUZUKI

Executive Officer
Studio 2 Studio Head, Studio S Studio Head
General Manager
Large Scale Development Promotion Office Co-Production Group Studio S
Bandai Namco Studios Inc.



Training in analog game production under the GEMini Project, a training initiative for newcomers

Leveraging the strong points and curiosity of creators, building organizations for the continued creation of entertainment

In order to develop human resources in the area of game development, it is necessary to focus on their individual aptitude and to enhance their capabilities. Also, the knowledge and skills that are required in game development are not something that can be acquired in a day. Steady knowledge acquisition is necessary. Essentially, it is important for young creators to get an overall view through the development of small-scale games at first. However, currently, in hardware performance levels are rising, and in software increasingly detailed expression is required. Accordingly, the scale of development projects has increased, and work has become increasingly subdivided. Consequently, there is a trend toward people getting experience only in certain areas.

With consideration for these circumstances, we have a framework for young creators to gain development experience. Since 2019 we have implemented the GEMini Project, a training initiative for newcomers under which they form teams with a small number of people and experience the process of game development over three to four months. In 2021, as a venue for young creators to utilize more open concepts in development, we launched the GYAARStudio game label.

Furthermore, in large-scale game development, in addition to technical expertise, skills are also necessary in the area of group activities, such as collaboration with people in various types of jobs and suitability for leadership. The Large Scale Development Promotion Office, which I lead, was established in 2021 with the objective of cultivating future skills in young creators. We are promoting initiatives and evaluation systems that will foster understanding among different jobs and promote the development of leaders. When this department was established, in

many cases senior managers took the lead. However, recently we are seeing situations in which frontline leaders who have noticed the importance of skill acquisition are more actively interacting with young creators. Going forward, we will strive to make this a Companywide initiative. In addition, leveraging strengths under the ALL BANDAI NAMCO concept, we will collaborate with visual work production, which requires skills similar to those needed in game development, and we will work to develop creators, including people at overseas Group companies.

Since I was a child, I liked old namco games, and I wanted to be involved in game development. Based on my experience to date, game development requires a daily process of trial and error. I think that having strong thoughts about games is connected to the creation of games that everyone can enjoy. To be an organization that provides, on an ongoing basis, amazing entertainment that meets the enthusiasm of fans, we will continue to implement development that supports creators' curiosity and spirit of inquiry.

DIALOGUE

SUSTAINABILITY INITIATIVES

Connecting to smiles into the future with distinctive Bandai Namco sustainability activities while increasing business sustainability

The Sustainability Management Department, which was established in April 2022 in the Corporate Planning Division, is the control tower for advancing sustainability, which is a main strategy under the Mid-term Plan. Two of the people who support the Group's sustainability in a wide range of fields, from in-house education, overseas initiatives, and human rights to information security, met for a discussion.

KOJI TSUYUKI

General Manager
Sustainability Management Department
Corporate Planning Division
Bandai Namco Holdings Inc.

ESG SECTION
SUSTAINABILITY

YUKO ARISHIMA

Assistant Manager
Sustainability Management Department
Corporate Planning Division
Bandai Namco Holdings Inc.

From foundation building to a new phase

It has been more than one year since the establishment of the Sustainability Management Department. We have identified Group sustainability issues and provided information to Group companies. Furthermore, we have advanced a variety of measures to support the implementation of effective initiatives that reach fans. With FY2023.3 positioned as a period for foundation reinforcement, we worked to promote the understanding and permeation of basic concepts. Over that period, there was progress in the understanding of sustainability and a change in sustainability awareness. This can be seen in the results of the in-house questionnaire.



Looking at organizational initiatives, the Group Sustainability Committee was established under the Board of Directors. Inside directors, including the presidents and representative directors of business management companies, participate in this committee. In addition, we have introduced sustainability evaluations for director remuneration. These initiatives have enhanced the visibility of each company's initiatives. One example is the MIRAI Creation (Future Creation) Project of Bandai Co., Ltd. and Bandai Spirits Co., Ltd.

With consideration for these types of results, our initiatives are moving to a new phase from FY2024.3. On a Companywide basis, we will encourage people to take the attitude that "material issues are my business." In addition, we will expand the scale of initiatives worldwide.

In regard to encouraging the idea that "this is my business," from 2022 we have advanced the My SDGs Project on a Groupwide basis. We started with the display of posters at Group companies in Japan, and in November 2022 we launched a portal site in the online Company newsletter. We are working to foster awareness about the Purpose and material issues while introducing the daily initiatives of employees, etc. We have created an English version for overseas employees, and we have also implemented a questionnaire-based survey at Group companies around the world.

Currently, we are moving ahead with the identification of issues for each overseas area. In October 2023, we will hold the Global Sustainability Summit in Japan. People from the regional management companies will get together with the aim of standardizing initiatives as a Group.

Initiatives in the areas of human rights and the environment

In regard to material issues, especially human rights initiatives, these are areas in which the Sustainability Management Department should actively take the lead, while collaborating with related departments.

In 2022, with the cooperation of an NGO, we implemented human rights due diligence and identified potential risks. As a result, in FY2024.3 we will move ahead with measures to build a specific system. First, we will formulate a Group human rights policy and work to see that it permeates throughout the Group. We will also aim to standardize the measures implemented by Group companies, including management of suppliers.

Furthermore, in the environmental field, in addition to initiatives in the recycling of plastic, such as with *Gundam* plastic models and capsule toys, we will aggressively

implement in-house education in order to support the creation of a new axis for initiatives.

The Sustainability Policy, which was formulated in 2021, has a target for reducing CO₂ emissions to work toward carbon neutrality. This stipulates reductions in Scope 1 and 2* emissions. Moreover we are currently considering the possibility of Scope 3 initiatives, and we are moving forward with discussions about targets. Together with initiatives addressing the plastics issue, we will implement initiatives on a new axis that leverage the Group's distinctive strengths. I believe that this will lead to true increases in corporate value.

* Scope 1: Direct emissions from in-house activities (fuel consumption, industrial processes)
Scope 2: Indirect emissions accompanying the purchase and use of electricity, heat, and steam
Scope 3: Indirect emissions other than Scope 1 and Scope 2

Support for business sustainability

The scope of activities in the Sustainability Management Department also includes the fields of crisis management, compliance, and information security. These fields have a significant effect on business sustainability. Within the department, a team has been established for each of these fields. The teams implement appropriate collaboration



and work in a unified manner for business continuity plan (BCP) issues. Following the unauthorized access incident in 2022, we took steps to thoroughly strengthen systems and to unify reporting schemes. As a result, worldwide incident reports in both of these fields are now available in real time.

Going forward, our initiatives in crisis management and compliance will include strengthening and enhancing e-learning and training, and our initiatives in information security will include bolstering measures regarding personal information and AI.

The story of our pursuit of comprehensive value

Going forward, we will continue working to contribute to the cultivation of a sustainability

culture at Bandai Namco. We will further strengthen our communications abilities, and in regard to matters that employees do not notice, we will work to deepen their understanding and recognition that "everything is connected to sustainability." In this way, we will foster a setting in which information for new initiatives is provided. In addition, so that initiatives extend beyond Japan, we will focus on global cooperation and strive to realize sustainability activities under the ALL BANDAI NAMCO concept.

The idea that "this is my business" extends to everything. Without this initiative, there is no future for Bandai Namco. In the first year, there were a large number of general discussions. In a manner that is easier to understand, I would like to communicate the message that "connecting to smiles into the future is itself a sustainability activity." Sustainability is inseparable from the IP axis strategy and individual businesses. For example, the growth in sales of the *Clena 3* low power consumption crane game is simply the simultaneous pursuit of economic value and social value. The permeation of these types of stories to the individual level will work together with the three main strategies in the Mid-term Plan. And then I think that Bandai Namco's business foundation will start to become even stronger.

EXAMPLE OF A SUSTAINABILITY ACTIVITY



Case Study

Waste reduction initiatives in the Toys and Hobby Business

NORIKO FUJITA

Director
BANDAI CO., LTD.
BANDAI SPIRITS CO., LTD.

Advancing the MIRAI Creation (Future Creation) Sustainability Project

In April 2023, I moved to my current position, where I am responsible for the promotion of sustainability in the Toys and Hobby Business. My role includes advancing the measures that are necessary for the Toys and Hobby Business to continue to operate in a sustainable manner. In addition, I work to create an environment in which all employees address sustainability with a strong sense of ownership.

As one part of those activities, Bandai and Bandai Spirits started the MIRAI Creation (Future Creation) Sustainability Project in March 2023. These two companies share the same corporate slogan—Dreams and Creation—and this project connects “Dreams and Creation” to the future. Bandai and Bandai Spirits have set three targets that they

are addressing on a companywide basis. These are reducing CO₂ emissions at Toys and Hobby Business bases by 15%, providing products and services that can be used safely and with peace of mind, and providing education and experiences to children, who will support the future. To facilitate the realization of these targets, they have been divided into three layers—company, department, and officer/employee. Each of these layers will aim to fulfill its role. We hope that the division into three layers will clarify the tasks to be handled by companies, and we would like to see everyone address sustainability from their own perspectives and work with a sense of ownership and motivation. Previously, sustainability activities were advanced in cooperation with businesses. However, this was limited to activities at the level of each business or department. The MIRAI Creation (Future Creation) Project was launched based on the sense that it was necessary to organize the roles by perspective and to broaden their scope. For the project logo, green is used for

an image of new sustainability. Going forward, the MIRAI Creation (Future Creation) Project will implement a variety of initiatives linked to the realization of targets and actively promote the communication of information.

Promoting sustainability together with fans

In the Toys and Hobby Business, there are many cases in which plastic is the principal material in products and packaging. We believe that our highest priority issue is the reduction of waste, which will lead to lower environmental burdens. To contribute to the transition to a recycling-oriented society, we have set a high priority on in-house collection and recycling initiatives.

Against this background, in 2006 we started to collect empty capsules from capsule toys, and in 2021 we commenced the use of recycled materials for in-house capsules. Empty capsules become unnecessary immediately after the customer makes a purchase. Accordingly, they are readily recyclable and the number of stores recycling them is steadily increasing.

In addition, the Gunpla Recycling Project was started in April 2021 as a joint initiative of four companies in the Bandai Namco Group. Under this project, we collect *Gundam* plastic model runners (part of the plastic model framework) and recycle them to create new plastic model products. To collect the runners, we have put collection boxes at about 200 participating Bandai Namco Amusement Inc. facilities across Japan, including namco facilities. In this way, we collect runners from fans. In FY2023.3, we were able to collect 21 tons of runners, which was 46% more than our annual target. The collected runners are reused through material recycling or converted to electricity through thermal recycling. At the planning stage for the Gunpla Recycling Project, there was some concern about whether or not people would go out of their way to bring used runners to the collection boxes. However, in the end we were able to collect more than the expected volume due to the cooperation of fans.

In addition to recycling activities based on in-house collection, we are also promoting environmentally friendly designs for products and packaging, and we have launched a project to extend the best-before dates of confectionery and food products.

In addition, we are implementing initiatives to reduce food loss, which will promote reductions in product and raw material losses.

I do not believe that we can advance these types of activities on our own. Rather, I think that these are activities that are implemented together with the fans who support our products. In regard to the social issues that we need to address, in line with the Purpose, I think that it will be important to continue to establish environments in which we can work together with fans and broaden the scope of initiatives.

Rolling out environmental initiatives on a global basis

Our products are delivered to fans in many countries and regions. In Europe, various legislative initiatives regarding sustainability are making progress. We consider a global approach in the area of product specifications to be a high priority. Going forward, we will work to implement communication initiatives, including information exchanges with bases around the world. At the same time, we will advance product designs suitable for the regions in which we have a presence.



With the launch of the MIRAI Creation (Future Creation) Project, the Toys and Hobby Business is approaching a new phase in sustainability activities. In these circumstances, I have become responsible for this issue, which I consider to be a major challenge. From a global perspective that includes all bases in Japan and around the world, we will formulate and advance sustainability activities that leverage Bandai Namco's distinctive strengths. Going forward, I will do my utmost to support the creation of environments that enable everyone to work with the attitude that “this is my business.”



Logo for the MIRAI Creation (Future Creation) Project implemented by Bandai Co., Ltd., and Bandai Spirits Co., Ltd.



Gunpla Recycling Project

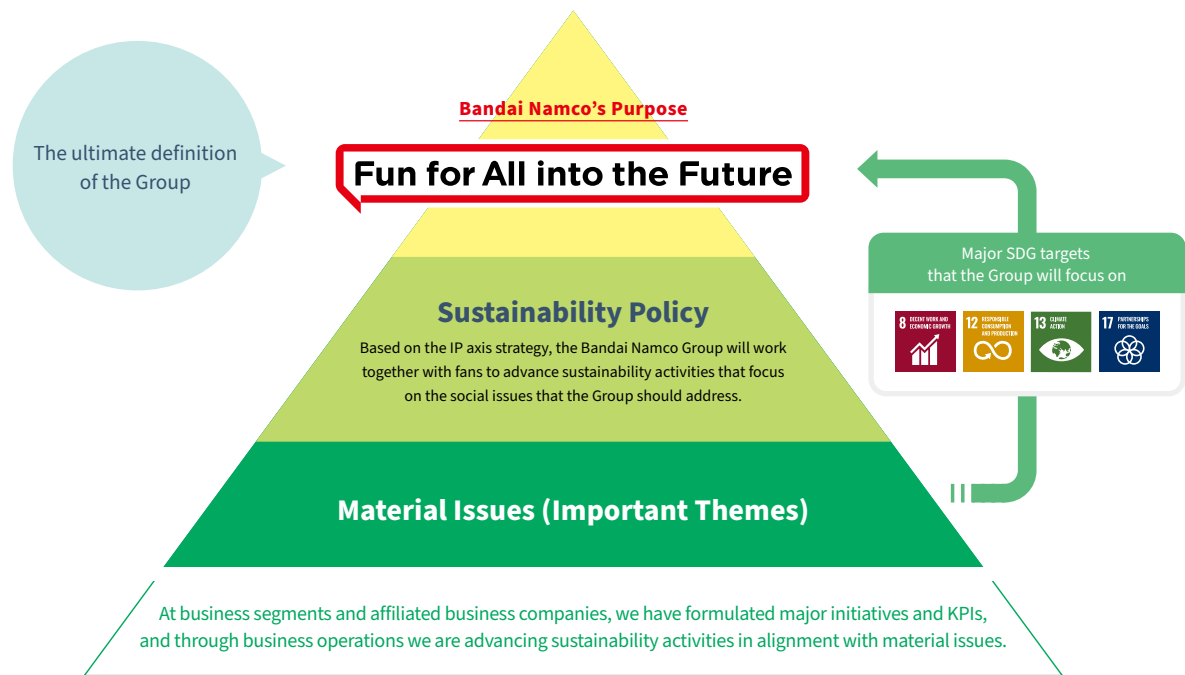


Gashapon Capsule Recycling



1/1 scale Gundam head that uses recycled runners

Our Purpose, “Fun for All into the Future,” has been positioned as the ultimate definition of the Group. In accordance with the Purpose, we have formulated the Sustainability Policy for implementing initiatives that use the IP axis strategy and leverage our distinctive strengths. To implement this policy, five themes that will need to be addressed by focused initiatives have been identified as material issues (important themes), and on that basis we are advancing sustainability activities.



For the promotion of sustainability activities, we have established the Group Sustainability Committee. The members of the committee include full-time directors of the Company and presidents and representative directors of the Group's business management companies (Bandai Namco Entertainment Inc., Bandai Co., Ltd., Bandai Namco Filmworks Inc., and Bandai Namco Amusement Inc.). The committee is led by the president and representative director of the Company. In this way, we are implementing activities in cooperation with businesses. We recognize that the promotion of sustainability activities is an important initiative from the

perspective of management strategy. Accordingly, the Group Sustainability Committee, which is directly under the Company's Board of Directors, holds discussions related to sustainability strategies, considers various initiatives, and periodically reports to the Board of Directors, which discusses and supervises those matters. In addition, we have established the Group Sustainability Subcommittee, which is a subordinate organization under the Group Sustainability Committee. The subcommittee works with activities aligned with the Bandai Namco Group Sustainability Policy and our material issues.

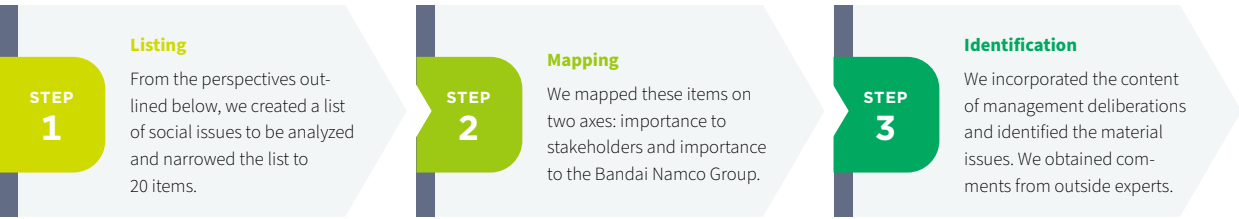


Identification of material issues

In regard to risks and opportunities related to sustainability, following discussions by the Group Sustainability Committee, we identified the material issues that the Group needs to address, and we are now advancing Groupwide sustainability activities. Also, Group companies are implementing initiatives aligned with the material issues and the characteristics of their businesses.

Each fiscal year, the results are analyzed for the Group as a whole and by business segment. This is linked to improvements in initiatives for the next fiscal year and thereafter. The details of this analysis are reported to the Board of Directors following discussions at the Group Sustainability Committee. The Board conducts discussion and supervision.

Three Steps for Identification of Material Issues



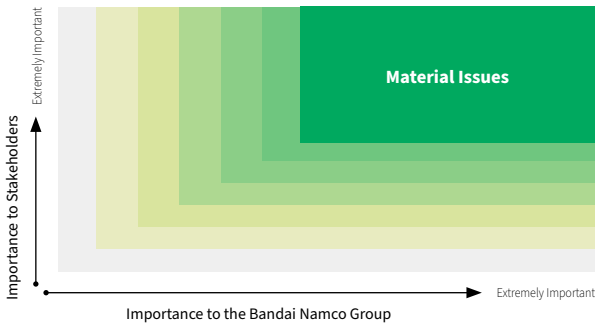
Perspectives that are emphasized during specification/verification

The Bandai Namco Group's Approach and Policies

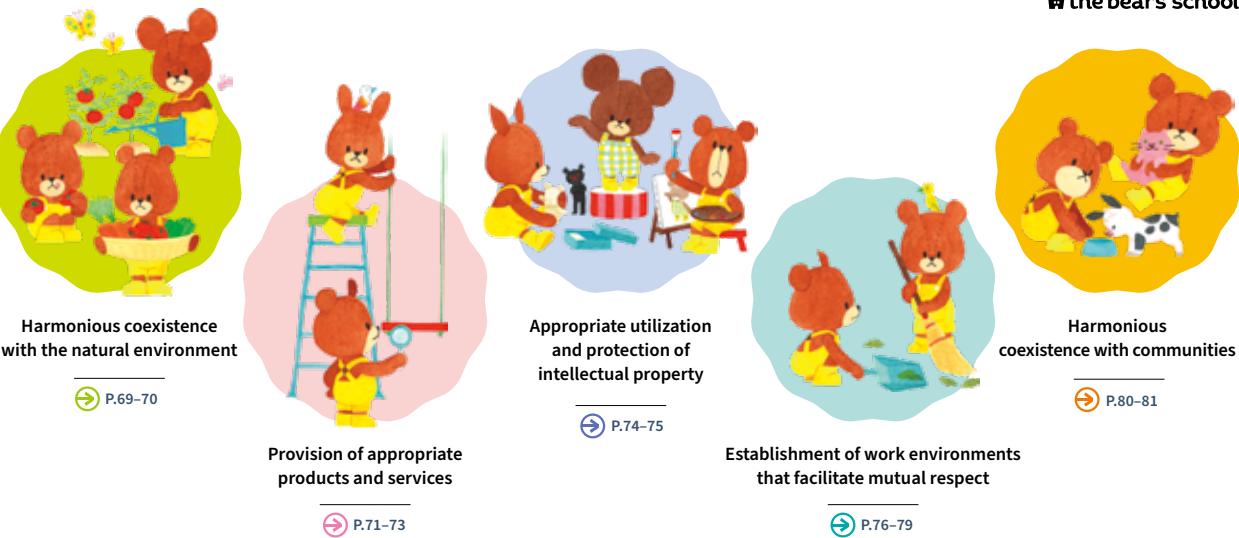
- The Bandai Namco Group's Purpose
- The Bandai Namco Group Sustainability Policy
- The Bandai Namco Group Compliance Charter
- The Bandai Namco Group Mid-term Plan
- Related Group policies/guidelines

Trends and Demands of Society in Japan and around the World

- Various policies and guidelines from international institutions, research institutions, and governments
Example: Sustainable Development Goals (SDGs), Ministry of the Environment's Environmental Reporting Guidelines, GRI Guidelines, TCFD recommendations, SASB Standards, ESG evaluation institution guidelines and reports (CDP, MSCI, Sustainalytics, FTSE), etc.
- Interviews with outside experts
- Consumer surveys (implemented at irregular intervals)
- Initiatives of companies that are advanced in regard to sustainability



Five material issues



GUNDAM UNIVERSAL CENTURY DEVELOPMENT ACTION (GUDA)

Gundam has a message about various problems in space. In the lead up to the dawn of the real “Universal Century,” which will likely accelerate going forward, the Bandai Namco Group will draw on lessons from the Universal Century of the fictional *Gundam* world. We will implement a variety of actions to create a better world for children in the future, collaborating with fans and external partners under *Gundam*’s name.



Gunpla Recycling Project

In FY2022.3, we started a project aimed at collecting runners (part of the plastic model framework) from plastic models in the *Gundam* series and reusing them in new plastic models through a chemical recycling process. The runners, which are collected at amusement facilities, etc., nationwide, are transported to the Bandai Hobby Center, a plastic model manufacturing plant. A portion is used as a material for verification testing targeting the realization of chemical recycling, and the rest is reused through material recycling or thermal recycling. (The amount collected in FY2023.3 was approximately 21 tons.)



Gundam Open Innovation

Reconsidering the “Universal Century,” we are working to make future dreams and hopes a reality by combining *Gundam* and future technologies to address social issues faced in the real world as in the world of *Gundam*. This program was introduced in FY2022.3.



Gundam Educational Program

From FY2022.3, we started an educational program that provides opportunities to think about the fun of manufacturing and about environmental issues. For the subject matter, this initiative draws on the moving *Gundam* at GUNDAM FACTORY YOKOHAMA and on *Gundam* plastic models. Gunpla Academia, which has been implemented since October 2021, offers the experience of assembling *Gundam* plastic models. In addition, the Bandai Hobby Center’s facilities, manufacturing processes, and business activities are introduced by video. The objective is to utilize these types of content in order to have participants learn about the fun of manufacturing and about initiatives for environmental issues, and to increase their interest in advanced technology and sustainable manufacturing. As of the end of FY2023.3, a total of approximately 240,000 elementary school students at about 3,800 schools had participated in this program.



Gundam Universal Century Development Action (GUDA) official website



THE IDOLM@STER

Connecting with fans, implementing sustainability activities together with them

With *THE IDOLM@STER* series, we are implementing sustainability activities aligned with the concept of “connecting and working together to create things.” Fans can readily participate in these activities, which leverage IP. They are centered on three material issues of the Bandai Namco Group—harmonious coexistence with the natural environment, appropriate utilization and protection of intellectual property, and harmonious coexistence with communities.



Initiatives to promote recycling

As a collaborative initiative between *THE IDOLM@STER SHINY COLORS* and Japan’s Ministry of the Environment, *Houkago Climax Girls*, which is affiliated with 283 Productions, is the focus of PR initiatives related to plastic recycling.

Agenda 283, an in-game event scenario, utilizes regional clean-up activities. Participants implement initiatives to support nature and plastic recycling while studying and discussing the issue of plastic garbage in the oceans. There is an educational video that publicizes the promotion of plastic reduction and recycling, with idol Rinze Morino, who was elected from among the *Houkago Climax Girls* members, serving as navigator.



PR for promotion of plastic reduction and recycling



THE IDOLM@STER SideM PASSIONABLE READING SHOW—Chojo Jihen—Tairitsu Suru Seigi, was a reading show for *THE IDOLM@STER SideM* that was held in March 2023. With the objective of reducing disposable plastic, customers were asked to use their own bottles when purchasing drinks from the beverage facilities that were opened in the event venue. Many fans responded to this initiative. People using their own bottles accounted for about 90% of the total number of drinks sold at the venue.



At the venue for *THE IDOLM@STER SHINY COLORS 5thLIVE If I_wings.*, which was held in March 2023, we implemented an initiative to collect unnecessary clothing from attendees. Boxes were set up at the venue to collect old clothes from fans in attendance. In regard to the clothes that were collected, we are considering recycling them into new materials for that will be used at events related to *THE IDOLM@STER* within FY2024.3.



Initiatives for regional advancement

In this activity, *THE IDOLM@STER CINDERELLA GIRLS* idol Fujiwara Hajime, who likes pottery, is a Bizen ware idol who communicates the appeal of and information about Bizen ware. Three idol units from *THE IDOLM@STER MILLION LIVE!*—*Sun, Moon, and Stars*—are the focus of PR activities about the appeal of Sagami-hara City, Kanagawa Prefecture, which is working on city development initiatives with a theme of the universe. We are implementing these types of regional activation initiatives that leverage IP.

CLIMATE CHANGE INITIATIVES:
ADDRESSING TCFD RECOMMENDATIONS

The Bandai Namco Group believes that measures to address climate change are necessary for the realization of a sustainable society and for business continuity. Accordingly, in April 2021 we formulated the Bandai Namco Group Sustainability Policy and established medium- to long-term targets for the transition to a decarbonized society. As we aim for the realization of a sustainable society, we will link these initiatives to sustained growth for the Group.

Governance

The Group Sustainability Committee is directly under the Board of Directors and is led by the president and representative director of the Company. In regard to the promotion of sustainability activities, the committee holds discussions related to sustainability strategies, considers various initiatives, and periodically reports to the Company's Board of Directors, which discusses and supervises those matters.

Strategy

The Bandai Namco Group has established numerical targets and steps to be taken in the period up to 2050 in order to support decarbonization through reductions in energy-related emissions of CO₂. In setting targets, at meetings of the Group Sustainability Committee and the Board of Directors, discussions were held regarding the demands of society, including the TCFD recommendations, and the impact of climate change on the Group. In line with the formulation of the Mid-term Plan, which started from April 2022, we have formulated and are now implementing more specific measures to achieve our numerical targets. Our analysis of the transition risks, physical risks, and opportunities accompanying climate change is as follows. We are advancing initiatives to address these risks and opportunities.

RISKS AND OPPORTUNITIES
THAT COULD AFFECT THE GROUP'S BUSINESSES

- Risks
- Higher raw materials costs as well as production and procurement costs due to carbon regulations and plastic use regulations (principally the Toys and Hobby Business)
 - Higher costs due to the introduction of new technologies, investment in R&D, or capital investment (principally the Digital Business and the Toys and Hobby Business)
 - Property damage, supply chain interruption, or resource depletion due to natural disasters

- Opportunities
- Lower electricity costs due to energy-saving
 - Lower costs due to the introduction of efficient production/ transportation processes (principally the Toys and Hobby Business)
 - Creation of new markets due to changes in consumer preferences due to natural disasters

In addition, we are implementing the following measures to address these risks and opportunities.

THE GROUP'S MEASURES TO ADDRESS RISKS AND OPPORTUNITIES

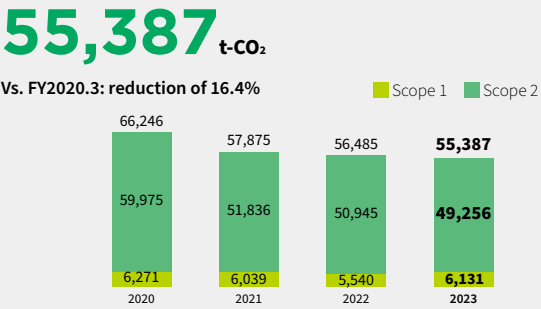
- Measures
- Advancing energy-saving measures; increasing efficiency measures
 - Using low-carbon energy, such as renewable energy
 - Advancing recycling
 - Introducing new technologies and materials; implementing capital investment

Risk Management

In regard to risks and opportunities, following deliberation by the Group Sustainability Committee, the Group formulates and implements various measures. Furthermore, in regard to energy-related emissions of CO₂, we have formulated numerical reduction targets for each business segment and are advancing measures in line with business characteristics. Each year, we calculate and analyze emissions volumes for the Group as a whole and for each business segment, and we use this information to improve measures in subsequent years. Also, the status and results of reductions are analyzed each fiscal year for the Group as a whole and by business segment. This is linked to improvements in initiatives for the next fiscal year and thereafter. The details of this analysis are reported to the Board of Directors following discussions at the Group Sustainability Committee. The Board conducts discussion and supervision.

Bandai Namco Group CO₂ emissions

For the Fiscal Years Ended March 31



Indicators and Targets

As shown below, we have established medium- to long-term targets for decarbonization.

MEDIUM- TO LONG-TERM TARGETS FOR DECARBONIZATION

Target

By 2050:
Reduce the amount of energy-related CO₂ emissions at Group business sites (offices, own plants, directly operated amusement facilities, etc.) to net zero

Medium-term target

By 2030:
A 35% reduction compared with FY2020.3 (a 50% reduction compared with FY2014.3) in energy-related CO₂ emissions at Group business sites

Main initiatives

- Converting to renewable energy
- Introducing solar power generation at in-house production facilities
- Further advancing energy-saving measures
- Managing supply chain CO₂ emissions in accordance with GHG Protocol Scope 3 starting from FY2023.3

Note: Recommendations by the TCFD: The Task Force on Climate-related Financial Disclosures recommends efficient information disclosure that is consistent, comparable, reliable, and clear in order to support appropriate investment judgments in regard to the main causes of climate change.

MATERIAL ISSUE ACTIVITIES

➡ Harmonious coexistence with the natural environment

We believe that the promotion of business operations that reflect consideration for the natural environment is essential for the achievement of sustainability for society and for companies. Together with a variety of stakeholders, the Group is aiming for harmonious coexistence with the natural environment.

Converting to renewable energy at in-house bases

Targeting decarbonization, we are advancing the conversion to electricity derived from renewable energy sources at major bases of Group companies.

We have converted to electricity derived from renewable energy sources for all of the electricity used at certain major Group company bases. This initiative has been implemented at the Bandai Namco Mirai Kenkyusho, Bandai head office building, Bandai Namco Amusement head office building (Sumitomo Fudosan Tamachi Ekimae Building), Bandai Namco Studio head office building (Shibusawa Eitai Building), and Bandai Hobby Center, which is a plastic model production facility of Bandai Spirits Co., Ltd. We have achieved net-zero CO₂ emissions from office operations at these bases. Through this initiative, we have reduced CO₂ emissions at these bases by more than 4,000 t-CO₂ per year.



Bandai Namco Mirai Kenkyusho

Introducing solar power generation

Bandai Spirits Co., Ltd., has introduced solar power generation facilities with 400 solar panels in an area of approximately 1,202 square meters on the roof of Bandai Hobby Center. The objective is for the Bandai Hobby Center to be self-sufficient in electricity through solar power generation. The annual amount of electricity generated through this solar power generation is approximately 260,000 kWh,* and we expect to be able to reduce CO₂ emissions by approximately 130 t-CO₂ per year.

* Calculated by the solar cell power generation quantity calculation method based on JIS 8907



Bandai Hobby Center

Actively promoting a distribution network that reflects consideration for the environment

Bandai Logipal Inc. is responsible for distribution for the Bandai Namco Group. The company not only focuses on the safe delivery of products but also promotes eco-driving on a Companywide basis. In addition to eco-driving, Bandai Logipal Inc. is also actively taking steps in the area of environmental consideration, such as acquiring Green Project Management Certification and introducing low-emissions vehicles.



➡ Harmonious coexistence with the natural environment

Developing environmentally friendly products

In 2012, Bandai Namco Amusement Inc. established the Eco-Amusement Product Requirements for amusement machines used in Japan. Products are evaluated based on seven standards stipulated in these guidelines, including compliance with green procurement standards, energy efficiency, and resource efficiency. Products that satisfy a certain threshold are certified as “Eco-Amusement Products.” Based on the operations know-how of staff throughout the country, *CLENA3*, which is a certified product, reflects creative initiatives for prize operations and for reducing the burden on staff. In addition, the *CLENA3* design reflects consideration for the environment, with a reduction of approximately 56% in electricity consumption in comparison with the first-generation *CLENA FLEX*.

Moreover, the Toys and Hobby Business has produced the Sustainable Design Handbook. To communicate environmentally friendly design in an easy-to-understand manner, creative initiatives in the area of environmentally friendly product design are included, as are many examples of actual products. Furthermore, the amount of CO₂ reductions achieved through those creative initiatives (in-house survey values) are also noted. In this way, we

are working to clarify CO₂ reductions. Going forward, we will continue working in the area of sustainable product creation while effectively utilizing this handbook.



Reducing food loss

As part of its effort to address the social issue of food loss, Bandai Co., Ltd., succeeded in extending the best-before dates of its principal confectionery products—*Tsuri Gummies*, tray gummy series, ramune, and desserts. This was the result of repeated validation testing and five years of research. In addition, we are working in such areas as reducing product and raw material loss in the production process and extending sales periods. We reduced food loss by 10.5 tons compared with previous levels.



Advancing initiatives for petroleum-free plastics

Bandai Spirits Co., Ltd., is advancing initiatives to use recycled materials or alternatives to plastics for part or all of certain plastic model products in order to reduce its use of petroleum-based plastics and lower CO₂ emissions. Bandai Spirits now uses alternatives to plastics such as new materials made primarily from limestone as well as eggshell plastics that partially include eggshells discharged as industrial waste for some of its plastic model products. In this manner, we are developing products in a way that fans can enjoy their favorite pastime while still benefiting the environment.



➡ Provision of appropriate products and services

With our priority on the safety and peace of mind of customers, based on appropriate ethical standards, we strive to increase customer satisfaction by working together with partners to provide safe, high-quality products and services.

Pursuing products and services with consideration for safety and security

At Bandai Co., Ltd., with consideration for the characteristics of the products that we handle and the diverse needs of customers, we have established various quality standards, and we implement designs and select materials accordingly. In addition to the toy safety standards established by the Japan Toy Association (ST Standards), the quality standards consist of original standards for approximately 260 items, which are broadly divided into three categories: safety, performance, and labeling/instructions. From these standards, we select the required standards in accordance with the product specifications. On that basis, we perform inspections prior to commercialization. In addition, we have also established original quality standards at Bandai Spirits Co., Ltd., which handles products for the mature fan base. Furthermore, when products are shipped overseas, we work in cooperation with overseas Group companies and external institutions in order to take into account the regulations of each country and region.

Looking at facilities, to enable a wide range of age groups to enjoy facilities safely and with peace of mind, the Bandai Namco

Group is conducting facility design, safety reviews, checks, and employee education. As one example, Bandai Namco Amusement Inc., which operates amusement facilities, is working to see that customers can safely enjoy facilities with peace of mind. To that end, Bandai Namco Amusement Inc. verifies the safety of amusement machines and activity facilities from a variety of perspectives, including operations. In product development and improvement, we consider the safety of parts that customers come into contact with as well as the safety of facility staff members when they conduct maintenance work. Bandai Namco Amusement Lab Inc. and Bandai Namco Technica Inc. work together and implement safety reviews in the areas of development, production, quality assurance and service, etc.



Toy safety review

Advancing initiatives for universal design

The Bandai Namco Group is working to provide barrier-free products and services that can be enjoyed by customers with visual disabilities or hearing disabilities.

In addition to subtitles for visual works, Bandai Namco Filmworks Inc. is introducing barrier-free voice guides that use audio to explain information about visual works, such as the background or people's movements and expressions.

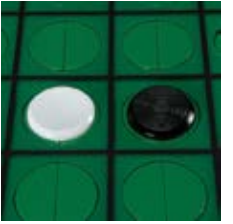


Rubik's Cube Universal Design

Looking at MegaHouse Corporation's Rubik's Cube Universal Design, the tactile design for each of the six colors is different, which means that it can be played just by touch. (This product received the grand prize in the accessible design toys category at the 2021 Japan Toy Awards). Moreover, with Ittai Othello, an all-in-one product, the black stones are convex and the white stones are concave, making it possible to distinguish between the stones by touch. The stones are stored inside the game, so they do not become lost. In these ways, we are advancing universal design and the development of products that many people can enjoy.



Ittai Othello



➡ Provision of appropriate products and services

Increasing customer satisfaction

For online games, an increasing number of users are minors, such as elementary school and junior high school students. In proportion to that trend, it has become easier for trouble to arise in the home. In particular, there are an increasing number of inquiries regarding payment. Therefore, in December 2022, Bandai Namco Entertainment Inc. and Bandai Namco Online Inc. published the “Guide to Playing Online Games Safely” (in Japanese) for minors and parents on their official websites to help users feel safe when playing. Creative initiatives were utilized, such as the inclusion of manga to make it easy to read for minors. Other measures included introducing it within games. It has been viewed by a wide range of users. Bandai Namco Online was awarded three stars, the highest rating, in HDI-Japan’s 2022 HDI Benchmarks Customer Service category.



“Guide to Playing Online Games Safely”

Fostering ethical language

To avoid hindering the sound growth of young people, and with consideration for the feelings of all stakeholders, the Bandai Namco Group has formulated the Bandai Namco Group Ethical Expression Guidelines, which cover the Group’s common understanding of appropriate expression. The Group is aiming for accurate, easy-to-understand language with no concerns about mistakes or misunderstandings. In addition, as a corporate group that handles diverse products and services, we are working to foster responsible, appropriate expression.

As one part of those initiatives, in FY2019.3 the Group Ethics Subcommittee was established under the Group Sustainability Subcommittee. This subcommittee is composed of people in charge of ethics at business management companies. In addition to gathering the latest information about ethical expression, the subcommittee’s role includes considering and making proposals about matters related to the language used by the Group. Moreover, with the objective of sharing the latest information related to the ethics of expression, we periodically hold round-table discussions for the people in charge of ethics at each

company. In these ways, we are working to share information among Group companies. In addition, we are taking such steps as holding various study sessions for employees at Group companies and distributing mail magazines to employees. The entire Group is working together to address this issue.



Group Ethics Subcommittee meeting (online)

Enhancing initiatives in cooperation with suppliers

The Bandai Namco Group strictly observes the laws and regulations of each country. We also establish our own standards. In this way, the Group is working to strengthen supply chain management.

Bandai (Shenzhen) Co., Ltd., in Shenzhen, China, is an important production management base for the Toys and Hobby Business. Bandai (Shenzhen) is working in such areas as local supplier quality control and quality testing as well as various types of safety confirmations. Steps are being taken to gather information for the enhancement of quality assurance activities and to share that information with the front lines. We are working to share production quality issues as well as to strengthen supplier testing systems and advance employee education.

Furthermore, at Bandai Namco Filmworks Inc. we conduct on-site inspections of the manufacturing process at plants that assemble Blu-ray disc and DVD packaging. In addition, for factories that manufacture goods that are sold at live event venues, we conduct interviews and factory visits based on factory audit checklists that include in-house standards.

Also, with the objectives of maintaining product quality and preventing the occurrence of defective products in the production processes of contract companies, Artpresto Co., Ltd., shares quality control systems; shares information by using flow charts to create diagrams, especially in food packing operations; and periodically confirms the circumstances at plants. We are working to rigorously implement and enhance product quality control at production sites.



Factory environment in the Toys and Hobby Business

➡ Appropriate utilization and protection of intellectual property

The Group is working to contribute to the sustainable development of entertainment through the appropriate use and protection of IP (characters and other intellectual property), which are important management resources.

Advancing the IP axis strategy

Centered on the IP axis strategy, which is a strength of the Bandai Namco Group, we will 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. We will develop a metaverse for each IP as a new framework for connecting with fans, and we will implement

strategic investment for IP creation. We will strive to create IP from a variety of perspectives, including creation from products and services, creation through Groupwide initiatives, creation through the Bandai Namco Content Fund, and creation through initiatives with external business partners. Over the three years of the current Mid-term Plan, we will implement ¥40.0 billion in strategic investment, and we will work to advance the IP axis strategy.

Resolving social issues through the use of games

Over a three-year period from 2020, Bandai Namco Entertainment Inc. and Bandai Namco Studios Inc. implemented a joint initiative with the Aoyama Gakuin University Project Research Institute (Solving Social Problems through Intellectual Properties (SSP-IP)). This initiative engaged in research into the possibility of addressing social issues through the use of games. Practical research was implemented in such areas as enhancing accessibility, considering political correctness, and recommending diversity and inclusion. Information was widely communicated to society, such as through symposiums and publications.



Protecting/utilizing existing IP

The protection of IP rights, which are management resources of the Bandai Namco Group, is an important initiative in terms of business strategy. For existing IP under the SUNRISE brand, Bandai Namco Filmworks Inc., is working to reconfirm rights, etc., related to older works and is striving to build a system for the preservation of rights accompanying stepped-up licensing for the *Gundam* series.



Advancing IP infringement countermeasures in Japan and overseas

The Bandai Namco Group is working closely with partners inside and outside the Group and with governments to protect the image of its IP and to ensure that its customers can enjoy worry-free use of safe products and services. We are implementing measures targeting counterfeit goods. We monitor Japanese and overseas markets, including the online market, and ask customs authorities to prohibit the import of counterfeit products. In these ways, we are working to promptly detect counterfeit products, prevent their appearance on the market, and secure their prompt removal, if found. In addition, as a member of the International Intellectual Property Protection Forum, we are working in collaboration with government institutions and related organizations in each country to implement effective countermeasures.

In addition, as one facet of measures to address counterfeit products, Bandai Spirits Co., Ltd., utilizes special specification stickers with forgery prevention processing. These stickers, which are applied to all TAMASHII NATIONS integrated brand toys for the mature fan base, are used to verify that a product is genuine. (Certain products are excluded.)*

* Changing to a new specification sticker design in stages from May 2023



Special specification stickers applied to TAMASHII NATIONS products

Supporting educational activities to eradicate piracy

Bandai Namco Filmworks Inc. is working in cooperation with the Manga-Anime Anti-Piracy Committee, whose secretariat office is the Content Overseas Distribution Association (CODA). We are participating in the Manga-Anime Guardians Project (MAGP). This project aims to protect anime and manga, which are the pride of Japan, in regions around the world and to support the creation of further high-quality works. As one part of those initiatives, since 2021 we have been producing a collaborative video that features Bandai Namco Pictures' *Sergeant Frog* animation as well as NO MORE Movie Thieves.



Sergeant Frog × NO MORE Movie Thieves—collaborating in the production of educational films

Implementing in-house educational activities

The Bandai Namco Group is implementing seminars related to the appropriate use of IP, such as patent and trademark seminars and copyright seminars. By company, these are offered in new employee training, training for managers, and training by business division, etc. In addition, we also offer compliance training for all employees using e-learning. In these ways, we are working to implement internal educational activities.

Establishment of work environments that facilitate mutual respect

We aim to support sustained development for society and companies by establishing workplace environments that facilitate mutual respect and enable everyone to work energetically, including not only employees but also everyone else associated with the Bandai Namco Group.

In accordance with our Purpose, we seek to be a group in which employees can act with motivation and energy to leverage their varied talents, individual characteristics, and values. In this way, we strive to be a group that utilizes the concept of “same spirit, diverse talents.” The personnel strategy is a main strategy in the Mid-term Plan, and we are working to develop diverse human resources in a variety of fields. We will secure and promote human resources irrespective of whether they are new graduates or mid-career hires, and regardless of gender, age, nationality, race, religion, and sexual orientation, etc. In addition,

we will further focus resources on the establishment of varied systems and environments that enable diverse human resources to actively participate and to work in a manner that is healthy in body and mind. Specifically, we will advance a variety of initiatives, such as supporting employees as they take on challenges and developing human resources to advance the IP axis strategy on a global basis. In addition, we will strive to realize workplace environments that are easy to work in and enable diverse human resources to demonstrate their true strengths.

Realizing employee-friendly workplace environments

The Bandai Namco Group is working to establish environments so that diverse human resources can work while remaining healthy in body and mind. Group companies have established various systems aligned with their business formats. These include rules for establishing employee-friendly environments for employees with differing household circumstances, flextime systems that enable flexible working styles, discretionary work systems, shorter working hours, and staggered shifts. In addition to regular physical checkups and stress checks, within the holding company’s Group Administrative Headquarters we have assigned a person in charge of measures to address long working hours. By establishing environments in which employees can work with peace of mind, we are striving to enhance employee satisfaction.

In accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children, Bandai Namco Entertainment Inc., Bandai Co., Ltd., and Bandai Namco Amusement Inc. have received certification from the Minister of Health, Labour and Welfare (Kurumin certification) in recognition of their support of child-rearing. In addition, in accordance with the Act on Promotion of Women’s Participation and Advancement in the Workplace, Bandai Namco Entertainment, Bandai, and Bandai Namco Business Arc Inc., received the Eruboshi certification as companies with excellent initiatives in promoting the participation and advancement of female employees in the workplace.

Examples of Systems to Promote Achievement of Work–Life Balance (Programs That Surpass Legal Requirements)

System	Overview
Childcare leave	Can be taken until the day the child turns two years old.
Childcare support	Available until March 31 of the year in which the child completes sixth grade. In addition to shorter working hours, includes exemption from overtime and late-night work.
Childbirth leave for spouses	Employees can take up to five days of paid leave when their spouse gives birth.
Flextime system	Normal working hours are determined not on a daily basis but on a monthly basis.
Child-rearing flextime system	Up to March 31 of the year in which the child completes sixth grade, core time can be adjusted in line with childrearing circumstances.
Provision of support funds for childbirth and childcare	Provision of ¥200,000 at the birth of each of the first and second children. Provision of ¥3,000,000 at the birth of each of the third and subsequent children.* * Acquisition of childcare leave for one continuous week or more and submission of a child-rearing report are requirements for the receipt of this support.
Lifestyle-support system	Introducing a lifestyle-support system with the objective of establishing supportive environments for employees in a variety of household circumstances; offering 30 days of leave as well as shorter working hours/flextime, in accordance with the reason. Examples of reasons: (1) truant children, (2) infertility treatment, (3) family nursing or caregiving for spouses and first- and second-degree relatives of employees, and (4) receiving of outpatient care at medical facilities due to disease.
Partnership system	In regard to partnerships, leave time determined by company rules and matters recognized by employee benefits companies, etc., are handled in the same manner as for couples who are married under the legal system.

Note: Some Group companies use different systems.

Operating Yu-Port Group satellite offices

The Bandai Namco Group opens up a portion of the office space at each of its business locations as satellite offices that can be freely used by Group employees. In this way, we are aiming to activate exchange and strengthen collaboration among Group companies.



Yu-Port Group satellite office

Supporting employees who take on challenges

Principal companies in the Bandai Namco Group have introduced performance-linked remuneration frameworks that correlate a company’s operating profit with employee profit sharing. In this way, we are encouraging employees to take on challenges. In addition, we have established systems for the proposal of ideas regarding IP, products and services for Units and companies and other systems. In these ways, we have established frameworks that transcend boundaries

between companies and departments and enable employees to make their own proposals.

Furthermore, by introducing systems that give recognition to teams and employees for taking on challenges, we are working to establish foundations and a corporate culture that make it easier to address challenges with a positive attitude.



Bandai Namco Awards

Each year, the Bandai Namco Group hosts the Bandai Namco Awards to recognize the best-performing teams of the year. In screening content, etc., important points include hits, creativity, and buzz, as well as sustainability initiatives.

Facilitating active careers for diverse human resources

The Bandai Namco Group emphasizes the individual talents and characteristics of each employee, and is working to foster diversity in line with business characteristics. In promoting active careers for women, we are implementing fair evaluations based on true capabilities and experience, and the number of female managers continues to increase in line with growth in the number of female employees. Also, accompanying business globalization, the number of locally hired employees is increasing each year.

Moreover, we are implementing a variety of initiatives to promote the employment of people with disabilities. Bandai Namco Will Co., Ltd., a special subsidiary, supports the Group’s businesses in a variety of ways, such as office management and toy and game development support. In addition, we are aiming to increase understanding of disabilities. For Group companies in Japan, we have established Yuni-nabi, a site for fostering a correct understanding about disabilities. Other initiatives include internships for employees with disabilities at major Group companies.

Developing human resources

In accordance with the Purpose, we are working under the ALL BANDAI NAMCO concept to transcend the barriers between regions and Units and work together as a unified group. In this way, we place importance on cultivating a sense of unity and developing human resources who will be active in global settings.

At junctures depending on position and number of years with the Company, we implement Groupwide training that transcends Units and regions. We are providing opportunities to forge connections

within the Group and to become aware of new things. This is in parallel with initiatives in specialized fields aligned with business characteristics, where efforts are made to develop human resources at the level of Units and individual companies. In addition, we are actively implementing personnel transfers among Units, businesses, and regions. We are working to develop human resources, who are the core of the Group, including taking steps to foster understanding of the Group’s businesses.

Groupwide training results

Group combined training	Training overview
First-year training	Through involvement with others with the same number of years at the Group, teams demonstrate their results and participants think about the significance of the Group.
Fifth-year training	In accordance with the Purpose, participants think about the significance of their own work and about their careers.
Training for newly appointed managers	Skills for leading the organization as managers are strengthened and visions are established for participants’ teams.
Global next-generation managers training	Participants, who are expected to lead the Group in the future, enhance their awareness and build personal connections.
Officer training	Participants acquire management knowledge necessary for managing the Group.

Note: In addition to those above, human resource development programs are implemented at individual companies. In FY2023.3, due to the influence of COVID-19, first-year training was not held.

Establishment of work environments that facilitate mutual respect

Increasing engagement

Implementing engagement surveys

Group companies in Japan and around the world have implemented engagement surveys since FY2023.3. We will make observations each year, implement initiatives to increase the engagement of

employees on a Groupwide basis, and advance the establishment of environments that enable diverse, highly individual human resources to work energetically and have active careers.

Holding family events

The Bandai Namco Group holds family events in order to foster exchange among employees themselves and among families, who support employees each day. One of these is the Autumn Culture Festival, a Unit-wide event that was held in FY2023.3 by the IP Production Unit, which aims to strengthen IP creation in the Bandai Namco Group, with the mission of “continuing to create good things.” In addition to holding the event online due to consideration for COVID-19, at the same time we offered workplace educational tours at the head office building, to which employee’s families were invited. On the day of the event, through activities such as tracing and character bingo, there were opportunities to have fun while learning about the company’s IP and

animation production. It was an event that deepened communication with family members and colleagues. Going forward, the Bandai Namco Group will continue to implement communication initiatives that can be enjoyed together with stakeholders, including employees and their families.



Workplace educational tour



Promoting human rights initiatives throughout the supply chain

The Bandai Namco Group recognizes that it has a potential influence on human rights in its business activities. In accordance with the view that it has a responsibility to respect the human rights of all of its stakeholders, including not only employees and their families but also suppliers and others, the Bandai Namco Group works to promote understanding of human rights throughout the

supply chain, to reduce negative influences on human rights, and to resolve human rights issues that have been identified. At the same time, we will work to enhance awareness of human rights on a Groupwide basis and to advance initiatives supporting respect for human rights.

Implementing human rights due diligence

In order to evaluate and identify human rights risks in businesses, the Bandai Namco Group conducts human rights due diligence in its principal business operations. From regional risks and business risks, the Group has identified regions and businesses for

which it will take steps to prevent the occurrence of risk events on a high-priority basis. In FY2024.3 and thereafter, we will implement initiatives with a priority on those businesses that have been identified.

Supply chain initiatives

In addition, Bandai Co., Ltd., implements Bandai Factory Audits (BFAs), which combine quality audits and Code of Conduct (COC) audits, at overseas final packaging plants that make Bandai products (177 plants in FY2023.3). The basic policy for BFAs is the Bandai COC Declaration, which calls for strict observance of eight COC standards (forced labor, child labor, working hours, wages and allowances, punitive action, discrimination, environmental protection, and origin of products). Audits are conducted in accordance with our original BFA manual. The Bandai COC Declaration and management manual, etc., are prepared in Japanese,

English, and Chinese. They are also available on websites for production partner companies. In these ways, we are working to promote understanding and awareness of the latest information.

Furthermore, when it starts to do business with a supplier, Bandai Namco Amusement Inc. implements a CSR Procurement Questionnaire that includes human rights (prevention of forced labor, discrimination, harassment, etc.). Bandai Namco Amusement only conducts business with suppliers that are not engaged in illegal activity.

In-house educational activities

The understanding of leaders is important in order to strengthen human rights measures within the Group, and we are implementing human rights study sessions for directors of Bandai Namco Holdings Inc. In addition, for employees we are offering seminars and e-learning initiatives in such areas as sustainability, work-life balance, LGBTQ issues, and disabilities. We are working to foster a sustainability culture within the Group and to enhance the awareness of employees.



Human rights seminar for directors

COLUMN

Data about the Bandai Namco Group’s workplace environment (FY2023.3)

Note: The following results are the totals for enrolled employees for principal Group companies in Japan. The coverage ratio for employees in FY2023.3 was 32.9%.
Principal Group companies: Bandai Namco Entertainment Inc., Bandai Co., Ltd., Bandai Spirits Co., Ltd., Bandai Namco Filmworks Inc., and Bandai Namco Amusement Inc.

Realizing employee-friendly workplace environments

Childcare leave utilization rate for men and women*
Men: **28.4%** Women: **100.0%**

* There were cases in which childcare leave was utilized in FY2023.3

Medical checkup utilization rate
99.9%

Rate of returning to work after childcare leave
99.0%

Paid leave utilization rate
70.1%

Stress check utilization rate
97.9%

Developing human resources

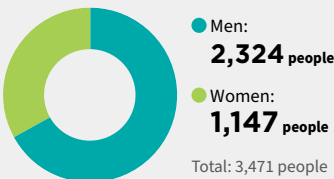
Number of participants in Group combined training
201 people

Number of people transferred among business management companies*
39 people

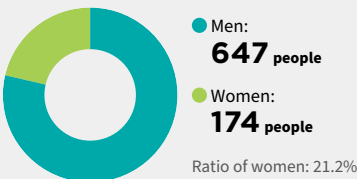
* Excluding people transferred among departments within a company

Facilitating active careers for diverse human resources

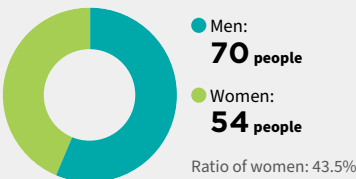
Gender ratio for full-time, permanent employees



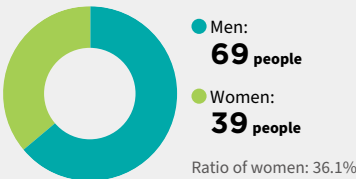
Gender ratio for managers



Gender ratio for new hires*1



Gender ratio for mid-career hires



Employment rate for people with disabilities*2

2.27%
(Number of hires in FY2022.3: 182 people
Number of hires in FY2023.3: 191 people)

*1 Entered the Company in April 2022

*2 For consolidated subsidiaries that entrust work to special subsidiary Bandai Namco Will Inc.

➡ Harmonious coexistence with communities

The Bandai Namco Group aims to exist and grow together with local communities in order to continue to be a group that is appreciated by communities and fans and is necessary for society.

Contributing to initiatives for regional bases

As a member of local communities, the Bandai Namco Group engages in social activities closely linked to communities and is utilizing IP to work toward the activation of local economies.

In collaboration with Suginami Ward, Tokyo, where we have an office, Bandai Namco Filmworks Inc. is contributing to regional activation and to anime culture development under the slogan “Suginami—City of Anime.” In cooperation with local governments throughout the country, in August 2021 we started the Gundam Manhole Project. This project is an initiative to install *Gundam*-themed manhole covers featuring characters and Mobile Suits, etc., from the series in various locations around Japan. In cooperation with local governments, we will strive to see that this project activates domestic regions and expresses the bond that *Gundam* fans across generations have with the series.

In North America, we concluded a sponsorship agreement with the Los Angeles Angels, a baseball team in California, where we have our U.S. headquarters. In the stadium, there is signage with the Bandai Namco logo and a *PAC-MAN* design. In addition, games are played between innings, and information about Bandai Namco is provided on the Angels radio station and social media. In these ways, together with fans, we are working to create a buzz at the baseball field through a variety of means.

In China, Bandai Namco Holdings China Co., Ltd., implemented an experience-based event involving the restoration of old books, which are part of China’s intangible cultural heritage. In addition, with the objective of connecting with children who have disabilities and children facing poverty through dreams, fun and inspiration, in March 2023 Bandai Namco Holdings China started the Create Dreams for the Future Project.



Implementing initiatives for the next generation and community support

Bandai Co., Ltd., operates the Omochanomachi Bandai Museum, which is a toy museum in Mibu-machi, Tochigi Prefecture. The museum, which can be enjoyed by children and adults, features four wings covering Japan, the world, Thomas Edison, and hobbies (*Gundam*).

In addition, to provide education and experiences to children, who will support the future, in March 2023 we established the Thomas Edison Special Exhibition at the Bandai Co., Ltd., head office. The Bandai Collection Foundation operates the Edison Museum in Mibu-machi, Tochigi Prefecture. From the museum’s collection, items that can actually be moved, such as gramophones, incandescent light bulbs, and toasters, are displayed in a booth based on the house where Edison was born in the state of Ohio in the U.S. These are introduced along with Edison’s life story and sayings, etc. These initiatives support exchange,

learning, and recreation for children, who will support the next generation. In this way, our aim is to contribute to the sound physical and mental development of children and to the promotion of abundant conceptual expression.

Bandai Namco Entertainment Inc. participates in the management of Shimane Susanoo Magic, a professional basketball team. Players visit kindergartens, nursery schools, and elementary schools in Shimane Prefecture. In addition to basketball class, there are “dream class” activities in which players talk with the children about their dreams for the future.

In addition, Charaken Co., Ltd., is implementing Jackie’s Caravan, an activity to deliver happiness to children. Jackie, a character from the *Bears’ School* picture books, visits kindergartens and nursery schools around Japan.

* In 2020 and 2021, this was implemented through online video due to the COVID-19 crisis.



Thomas Edison Special Exhibition



Shimane Susanoo Magic “dream class”



Jackie’s Caravan

Supporting areas affected by disaster

Since 2011, Bandai Namco Holdings Inc. has implemented activities for children in Japan and seminars for employees in partnership with Save the Children Japan (SCJ), a public interest incorporated association. In addition, each year Bandai Namco and shareholders give a total of ¥10 million to SCJ through the use of complimentary shareholder gifts. The donated funds are used for activities implemented by SCJ that support children in Japan.

Bandai Co., Ltd., worked with SCJ to plan and manufacture a Bandai support toy for use in times of disaster. The toy supports children’s mental well-being by easing stress and worry in those impacted by a disaster. This toy was designed so that it provides children with someone to talk to or a friend that gives them comfort during their time in temporary housing. Accordingly, plans call for these toys to be provided to areas impacted by a disaster together with the Emergency Children’s Kit distributed as part of disaster relief supplies by SCJ. In September 2022, these toys received a special recognition award at the Bousai Goods

Selection Awards 2022 hosted by the Disaster Prevention Research Institute.

Bandai Namco Music Live Inc. donates part of the proceeds from the sale of charity merchandise at artists’ live and streamed performances. These donations are made to areas impacted by earthquakes or torrential rainfall through the Japanese Red Cross Society.



Support activities through Save the Children

In order to realize Bandai Namco's Purpose "Fun for All into the Future," the Company and the Group sufficiently understand the importance of various stakeholders related to the Company and have a basic management policy of maximizing the corporate value of the Company and its shareholders' common interests over the medium to long term. In addition, the Company believes that construction of a solid management foundation (corporate governance) is absolutely essential in order to emerge victoriously in the global competition of the fast-changing world of entertainment. In accordance with this philosophy, the Company has established the Basic Philosophy on Corporate Governance.

Furthermore, we truly embrace the intent and spirit of Japan's Corporate Governance Code, and our initiatives on each principle of the Code are disclosed in Initiatives Related to Japan's Corporate Governance Code.*



* For more information, please visit the Company's website.

<https://www.bandainamco.co.jp/en/sustainability/governance/index.html>

Corporate Governance System

Strengthen the Management Oversight Function



Number of Audit & Supervisory Committee members

4/14

Number of independent
outside directors

5/14

All outside directors meet the Standards for the Independence of Outside Directors established by the Company.

Term of Office of Directors

Directors who are not Audit & Supervisory Committee members

Directors who are Audit & Supervisory Committee members

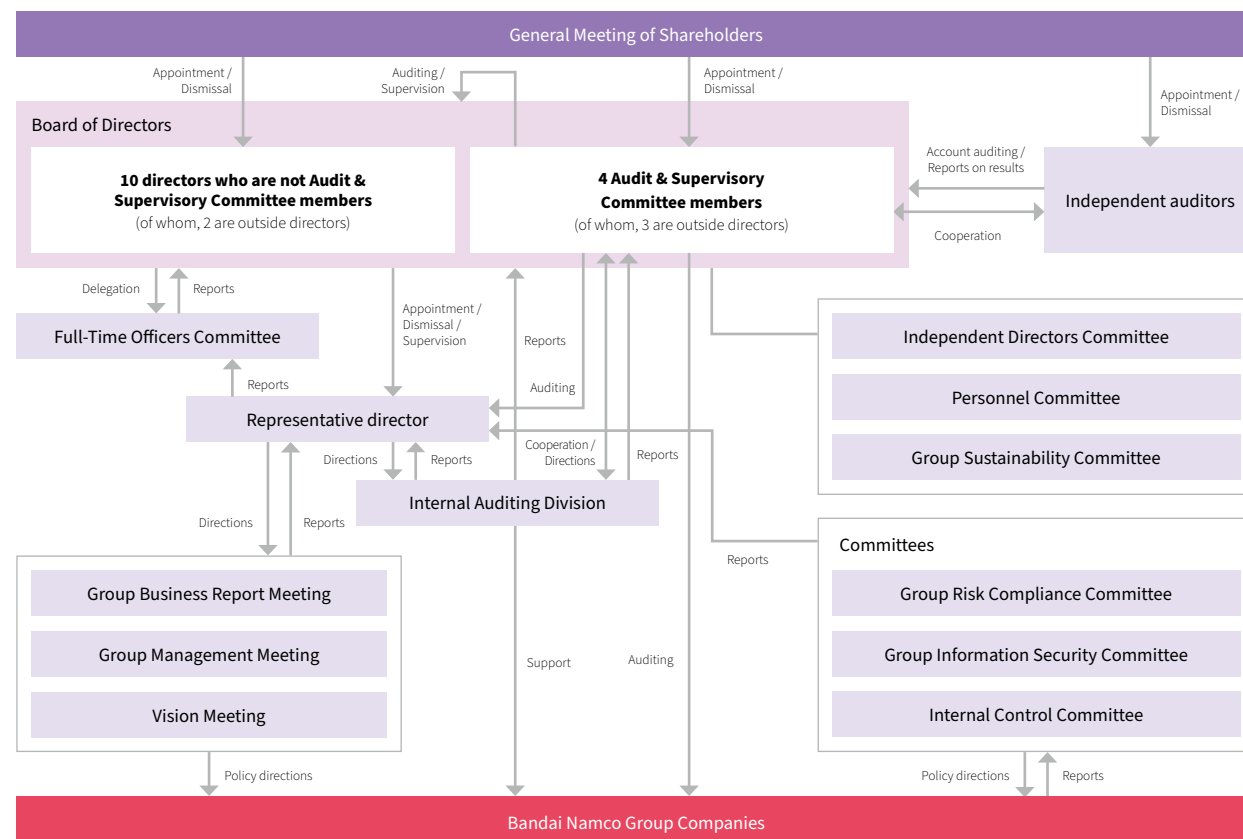
1 Year or Less

2 Years or Less

Organization

Company with an audit and supervisory committee

Reason for adoption: Directors who are Audit & Supervisory Committee members will have the right to vote at meetings of the Board of Directors. Accordingly, the Company concluded that it would be possible to strengthen the Board auditing and supervisory functions.



As of June 19, 2023

MESSAGE



Working to secure objective, transparent governance and sustained increases in corporate value

TAKASHI TSUJI

Executive Officer
Division General Manager
Corporate Planning Division
Bandai Namco Holdings Inc.

In the Corporate Planning Division, we are advancing a wide range of activities in three key fields. These are (1) formulation and advancement of the Mid-term Plan and establishment of governance systems (the Corporate Planning Department), (2) communication with stakeholders (the Corporate Communication Department), and (3) sustainability (the Sustainability Management Department).

Since the management integration in 2005, the Bandai Namco Group has emphasized objectivity in governance. Currently, Bandai Namco Holdings Inc. has a basic policy that one-third or more of directors should be outside directors, and that all of the outside directors should be independent outside directors. We have implemented a large number of improvements and reforms. These have been based on a variety of top management meetings at which inside and outside directors freely discuss medium- to long-term issues, including off-site meetings for directors and the Vision Meeting. They have also been based on evaluations of the Board of Directors by the Independent Directors Committee. In June 2022, accompanying the transition to a company with an audit and supervisory committee, we deepened cooperation between the Audit & Supervisory Committee and the Internal Audit Office. This further strengthened the auditing and supervisory functions. In addition, Board authority for certain matters has been delegated to the Full-Time Officers Committee. In this way, we are working to enhance discussions at meetings of the Board of Directors and to increase the speed of business execution.

In addition, with consideration for rapidly changing business characteristics, we are pursuing organic collaboration between operations and management. For example, we have a system under which representative directors of business management companies serve as directors of the Company. In addition, manager-level employees in the corporate planning departments at the business management companies also work in the Company's Corporate Planning Department. Moreover, in global initiatives, we are taking steps such as leveraging opportunities to implement flexible reorganization measures in Japan and consolidating bases into single offices at regional management companies.

For example, representatives of regional management companies are given the same functions as executive officers of the Company. This increases the effectiveness of initiatives and facilitates flexible responses to changes in the environment. In these ways, we are focusing on building business operations under the ALL BANDAI NAMCO concept.

Going forward, we will provide shareholders and investors with highly reliable information in a timely and appropriate manner. We will also enhance opportunities to hear directly from the president. Furthermore, we will strive to enhance the disclosure of sustainability information and other non-financial information, to secure sustained increases in corporate value, and to engage in sincere dialog with capital markets.

Transition to a Company with an Audit and Supervisory Committee

Following a resolution at the 17th Ordinary General Meeting of Shareholders, which was held on June 20, 2022, the Company transitioned from a company with an audit and supervisory board to a company with an audit and supervisory committee. As a result, while working to strengthen the corporate governance system, the Company is working to further enhance its corporate value by carrying out swifter decision-making and business execution through the delegation of partial authority related to business execution to the Full-Time Officers Committee. In addition, to complement the

management oversight function, the Company has a basic policy that one-third or more of directors shall be outside directors, and that all of the outside directors shall be independent outside directors.

Directors who are Audit & Supervisory Committee members audit and supervise the Board of Directors. In addition, independent outside directors, based on their high levels of independence and specialized knowledge, fulfill their own role from an objective, neutral position. In this way, the Company has established a system that enables them to contribute to the bolstering of its corporate governance systems.

Board of Directors

The president and representative director of each business management company, etc., holds concurrent positions within the Group, such as serving as a director of the Company. This contributes to strengthening the collaborative efforts between the holding company and the operating companies and between the operating companies and to facilitating speedier decision-making as a group. Of the 14 directors on the Board of Directors, five meet the conditions for independent, outside directors. They are working to strengthen the management supervisory function. Specifically, through such means as attendance at meetings of the Board of Directors, they provide opinions from viewpoints that are independent of business execution, and from specialist viewpoints. These opinions are based on their extensive experience and wide-ranging

knowledge. In these and other ways, they play an important role in the decision-making process.

Of the four directors who are Audit & Supervisory Committee members (including two who are full time), three meet the conditions for independent outside directors. They work together and monitor the Company's internal control situation on a daily basis. Specifically, through such means as attendance at meetings of the Audit & Supervisory Committee and the Board of Directors, they provide opinions from viewpoints that are independent of business execution, and from specialist viewpoints. In these ways, they play an important role in the decision-making process. Their activities as outside directors play an important role in the Company's management decision-making, and the Company believes that their appointment is appropriate.

Main Top Management Meetings

As shown in the table below, the Company holds a variety of top management meetings and has established a system that facilitates rapidly tracking and responding to Group management information.

Meeting Name	Chair	Schedule	Agenda/Purpose	Participants
Board of Directors	President and Representative Director Masaru Kawaguchi	Monthly and otherwise as needed	Decisions/reports on matters stipulated by law, matters to be resolved in accordance with authority standards, reports on the status of business execution, reports regarding sustainability, crisis management, and compliance	Directors, other designated individuals
Independent Directors Committee	Director (Outside) Toshio Shimada	Annually	From a position independent of the Board of Directors, provision of evaluations, opinions, proposals, etc., regarding the effectiveness of the supervisory function over the Board of Directors, reflecting the perspectives of enhancing corporate governance and corporate value	Outside directors, secretariat (external, third-party specialist organization)
Personnel Committee	Director (Outside) Toshio Shimada	As appropriate	Personnel matters for Group officers, officer compensation, reporting of evaluations and opinions regarding human resource synergies	Outside directors (excluding Audit & Supervisory Committee members), representatives from the Audit & Supervisory Committee, representative director
Group Sustainability Committee	President and Representative Director Masaru Kawaguchi	Semiannually	Discussions and sharing of information related to the Group's important sustainability strategies; consideration of matters to be resolved and matters to be reported at meetings of the Board of Directors as well as other deliberations; overall supervision of the Group Sustainability Subcommittee; overall supervision of progress with material issues for each Unit and affiliated business company	Full-time directors; presidents and representative directors of business management companies, etc.; other designated individuals
Full-Time Officers Committee	President and Representative Director Masaru Kawaguchi	Twice per month	Decisions/reports on matters for which authority has been delegated from the Board of Directors; decisions/reports in accordance with authority standards; reports on the status of business execution	Full-time directors; presidents and representative directors of business management companies, etc.; other designated individuals
Waigaya Meeting	President and Representative Director Masaru Kawaguchi	Weekly	Weekly reports regarding the departments for which directors are responsible, etc.	Directors (excluding Audit & Supervisory Committee members and outside directors), other designated individuals
Group Business Report Meeting	Director Yuji Asako	4 times per year	Group numerical reports, Unit reports and regional management companies reports, risk information, other matters to be reported	Directors, representatives of regional management companies other designated individuals
Group Management Meeting	President and Representative Director Masaru Kawaguchi	9 times per year	Discussions about Group management issues and medium-term plans; deliberations regarding issues extending across Units; deliberations regarding other Group management issues and strategies; deliberations regarding Groupwide policies, medium- to long-term prospects, etc.	Full-time directors (excluding Audit & Supervisory Committee members), presidents and representative directors of business management companies, etc.; other designated individuals
Vision Meeting	President and Representative Director Masaru Kawaguchi	Twice per year	Deliberations about what the Group aims to be and medium- to long-term targets; deliberations about addressing ongoing issues	Directors, other designated individuals

Note: Planned to be held in FY2024.3

Policies and Processes for Appointing Directors

Basic Policies for Appointing Directors	Appointing Independent Outside Directors
The appointment of directors is based on candidates possessing broad knowledge and experience required for decision-making on company management, as well as possessing the track record and insight in the fields and businesses they have experience in that are required in order to provide management oversight. In addition, one-third or more of directors will be outside directors, and all of the outside directors will be independent outside directors.	Decisions are made with consideration for a composition that has an appropriate balance of, for example, individuals who possess a wealth of experience as corporate managers, attorneys-at-law who have thorough knowledge regarding compliance and other aspects of internal control, and certified public accountants and certified public tax accountants who are experts in accounting and tax affairs.
Process for Appointing Directors (Excluding Audit & Supervisory Committee Members)	Policies and Processes for Appointing Candidates for Directors Who Are Audit & Supervisory Committee Members
The Personnel Committee, of which the chair and a majority of the members are independent outside directors, is convened on a discretionary basis to act as a forum for debate and receive recommendations based on the respective candidates' achievements and knowledge, and the independent outside directors conduct interviews with new candidates for director (excluding Audit & Supervisory Committee members) before a decision is made at a Board of Directors' meeting.	The necessary abilities, experience, and personality, etc., are considered, and decisions are made by the Board of Directors after receiving consent from the Audit & Supervisory Committee.

Independent Directors Committee

To evaluate from an objective standpoint whether the Board of Directors is functioning appropriately, the Company has formed the Independent Directors Committee. This committee comprises just five independent outside directors, and its secretariat function has

been established within a third-party specialist organization. This arrangement facilitates the maintenance of a more effective oversight function in the Board of Directors.

Outside Directors

Of the Company's 14 directors, five are outside directors, and all of the outside directors are independent outside directors. In this way, the Company is working to strengthen the management oversight function.

The Company has established Standards for the Independence of Outside Directors, and outside directors are appointed in accordance with those standards. In the Company's judgment, the outside directors meet those standards, there is no concern that they will have a conflict of interest with general shareholders, and they possess high levels of independence. Accordingly, the Company has notified the Tokyo Stock Exchange (TSE) that they are all independent directors in accordance with TSE regulations.

The status of audits by internal auditors, audits by the Audit & Supervisory Committee, and account audits are reported to the Board of Directors. By attending meetings of the Board of Directors, the outside directors (excluding Audit & Supervisory Committee members) track the status of these audits and work to maintain close ties.

In addition to tracking the status of internal audits reported at meetings of the Board of Directors, outside directors (Audit &

Supervisory Committee members) track the status of audits by the Audit & Supervisory Committee at meetings of the Audit & Supervisory Committee and work to maintain cooperative relationships with the internal audits and the Audit & Supervisory Committee audits. In addition, all directors who are Audit & Supervisory Committee members receive explanations from the independent auditors of the status of account audits on a quarterly basis. In this way, they track the status of these audits and maintain cooperative relationships with the account audits.

Furthermore, through matters brought to the Board of Directors, outside directors track the status of internal control departments and provide advice. In addition, they attend the Group Business Report Meeting, where reports on the status of the Group's operations are made; work to strengthen the supervisory function; and provide advice as needed.

Moreover, as an outside director support system, the Corporate Planning Division provides support. In regard to the communication of information from the Corporate Planning Division, principally, materials are sent prior to meetings of the Board of Directors and explanations are provided as needed.

Evaluations of Effectiveness of the Board of Directors

With the objectives of heightening the effectiveness of the Board of Directors and increasing corporate value, evaluations of the effectiveness of the Board of Directors are conducted periodically. Specifically, questionnaires regarding evaluation items that have been determined in advance are implemented, and responses are obtained from all directors. Then, the Independent Directors Committee conducts analysis and verification based on the results and provides their opinions to the Board of Directors. Based on these opinions, the Board shares the results of the evaluation of present circumstances as well as issues, and holds constructive discussions regarding future action plans.

Roles and Duties of the Personnel Committee Related to Officer Remuneration, Etc.

Independent outside directors make up a majority of the Personnel Committee, which is an optional committee that is chaired by an independent outside director. The Personnel Committee holds appropriate deliberations about the validity of systems for officer remuneration, including the basic policy for the Group's officer remuneration system, the remuneration framework, and the variable remuneration framework, etc. These deliberations are based on objective information related to officer remuneration (most recent system status, trends at other companies, etc.). The committee then submits a report to the Board of Directors. The Company's Board of Directors accepts the report and makes the final decision on the details of the officer remuneration system. In addition, in the

same way, the board of directors for each of the business management companies, etc., accepts the decision of the Company's Board of Directors and makes the final decision on the details of the officer remuneration system for the business management company, etc. In some cases, as necessary in the conduct of deliberations, external remuneration consultants, etc., attend meetings of the Personnel Committee or provide information to the committee. This is intended to provide support for effective deliberations and consensus formation. Opinions, etc., as to appropriateness regarding the details of the report to the Board of Directors are not received.

Activities of the Personnel Committee

Composition of the Personnel Committee/Committee Chair

The Company's Personnel Committee has a maximum of seven members, with independent outside directors making up a majority of the members. The chair of the committee is an outside director elected by the outside directors.

Status of Activities of the Personnel Committee

Since the Ordinary General Meeting of Shareholders held in June 2023, the composition of the Personnel Committee is as follows.

People	4 people (1 executive director and 3 outside directors)
Committee chair	Director (outside) Toshio Shimada
Members	Director (outside) Koichi Kawana, Director (Audit & Supervisory Committee member, outside) Satoko Kuwabara, President and Representative Director Masaru Kawaguchi

In the decision-making process for the amounts of compensation for FY2023.3, deliberations by the Personnel Committee were held a total of five times. The chair and the members all attended on each of these occasions, and the attendance rate was 100%. The major agenda items were as follows.

Meeting dates	Major agenda items
April 26, 2022	Remuneration limit for directors Policy for determining remuneration, etc., for directors
May 31, 2022	Payment amounts for FY2022.3 performance-based bonuses and performance-based stock compensation for the Company, business management companies, etc.
June 10, 2022	Calculation method for FY2023.3 performance-based stock compensation
November 28, 2022	Sustainability evaluations in the Company's FY2023.3 performance-based bonuses
January 31, 2023	FY2024.3 officer remuneration for the Company, business management companies, etc.

Matters Related to the Policy regarding Decisions about the Amount and Calculation Method for Remuneration, Etc., for Directors

Basic policy

The basic policy of the remuneration system for the Company's directors (excluding Audit & Supervisory Committee members and outside directors), is to create a remuneration framework that promotes the Company's continuous growth and improves the Company's corporate value over the medium to long term by promoting the sharing of values with shareholders, ensuring objectivity and transparency so that the Company can adequately fulfill its accountability obligations, and fostering a healthy sense of entrepreneurship in the directors while taking into account the level of remuneration that will enable the Company to secure and retain top-grade personnel.

Specifically, the remuneration framework comprises the base remuneration as fixed remuneration and performance-based bonuses and performance-based stock compensation as variable remuneration. In addition, for the directors of the Group's four business management companies (Bandai Namco Entertainment Inc., Bandai Co., Ltd., Bandai Namco Filmworks Inc., and Bandai Namco Amusement Inc.) and the directors of Bandai Spirits Co., Ltd., Bandai Namco Music Live Inc., and Bandai Namco Business Arc Inc., the basic policy is the same as that of the Company.

Remuneration for the Company's directors who are Audit & Supervisory Committee members and the Company's outside directors comprises base remuneration only in light of their duties. The amount of remuneration for each director who is an Audit & Supervisory Committee member is determined through discussions among directors who are Audit & Supervisory Committee members, and the amount of remuneration for each outside director who is not an Audit & Supervisory Committee member is determined by the Board of Directors.

Fixed remuneration (base remuneration)

The base remuneration for directors of the Company (excluding Audit & Supervisory Committee members) is monthly fixed remuneration paid in cash and paid within a specific time period every month. The limit is ¥450 million per year (including a maximum of ¥100 million for outside directors). In addition, Company directors, (excluding Audit & Supervisory Committee members and outside directors), contribute a fixed proportion of the base remuneration to the shareholding association for directors and officers to purchase the Company's shares. During his or her term of office, each director continues to hold such shares, as well as shares acquired through performance-based stock compensation. The base remuneration for directors who are Audit & Supervisory Committee members is monthly fixed remuneration paid in cash, and paid within a specific time period every month with the limit of ¥200 million per year.

Variable remuneration (performance-based bonuses and performance-based stock compensation)

As for variable remuneration for directors of the Company (excluding Audit & Supervisory Committee members and outside directors), both performance-based bonuses and performance-based stock compensation use consolidated operating profit of the Group as an indicator with the aim of directly reflecting the evaluation on

management efforts by the management team of the Group in the amount of remuneration to be paid.

Performance-based bonuses

Performance-based bonuses are calculated within a range of 0% to 200% of the predetermined base amount based on the rates of achievement of the Mid-term Plan targets, fiscal year targets, and year-on-year results for the Group's actual consolidated operating profit, for each fiscal year, with the payment ratio changing within that range depending on the results of sustainability evaluations.

If any of the rates of achievement is 50% or lower, performance-based bonuses will not be paid. Performance-based bonuses will be determined within a limit of the smaller of (i) ¥550 million per year as the limit for cash bonuses or (ii) 1.5% of the "profit attributable to owners of parent for the period." The remuneration is paid within a specific time period every year after the end of the relevant fiscal year.

Sustainability evaluations are conducted for the purpose of motivating the eligible directors to address sustainability, and the evaluations are determined by the Board of Directors by examining factors such as the results of activities for the Group's initiatives in line with its material issues (including initiatives for decarbonization) and indicators relating to employee engagement after deliberation by the Personnel Committee, which is an optional committee chaired by an independent outside director and of which a majority of the members are independent outside directors.

Performance-based stock compensation

Performance-based stock compensation is provided only when the Group's consolidated operating profit is ¥75 billion or higher, and the payment ratio will be 100% if the consolidated operating profit reaches ¥125 billion (the target for the last fiscal year under the Mid-term Plan). In accordance with a resolution of the 17th Ordinary General Meeting of Shareholders held on June 20, 2022, the upper limit is the amount obtained by multiplying 135,000 shares*¹ by the delivery share price*² per year. Whether or not performance-based stock compensation will be paid and the level of payment are decided each fiscal year. Under the framework, the number of reference share units is predetermined for each officer rank, and shares of common stock of the Company and cash corresponding to the number of payment share units, which are finalized based on the degree of attainment of the consolidated operating profit target, will be delivered or paid. Furthermore, the performance-based stock compensation will be paid within two months from the day following the day on which the figure of the performance-based indicator (consolidated operating profit of the Group) is finalized.

*1 The Company conducted a share split with a ratio of three shares for every one share of common stock on April 1, 2023. Accordingly, applying this share split, the upper limit for the performance-based stock compensation has been changed to the amount obtained by multiplying 135,000 shares by the Delivery Share Price per fiscal year.

*2 Delivery share price is the closing price of common stock of the Company on the Tokyo Stock Exchange Prime Market on the business day immediately preceding the date of the resolution at the Board of Directors' meeting to deliver the Company's common stock related to the performance-based stock compensation system held within two months from the date of the Ordinary General Meeting of Shareholders pertaining to each fiscal year under evaluation (if the Company's shares were not traded on that day, the closing price on the last day the shares were traded prior to that).

Remuneration structure

The Company determines the remuneration structure for directors of the Company (excluding Audit & Supervisory Committee members and outside directors) by verifying the level of remuneration based on its performance results and objective benchmarks for the management's remuneration obtained from external specialist organizations and comprehensively taking into consideration the ratio of fixed remuneration to variable remuneration in the annual total remuneration and the ratio of medium- to long-term remuneration in variable remuneration. If the target for the last fiscal year under the Mid-term Plan has been achieved, the ratio of fixed remuneration to variable remuneration in annual total remuneration will be about 40:60. Also, the proportion in annual total remuneration of stock-based remuneration, that is, the sum of the contribution of a fixed proportion of the base remuneration to the shareholding association for directors and officers and performance-based stock compensation will be approximately 40%.

Procedure for determining compensation

The policy, framework, and performance-based mechanism for directors (excluding Audit & Supervisory Committee members and outside directors), will be determined by the Board of Directors after deliberation by the Personnel Committee, in order to seek the appropriate involvement and advice of the outside directors. In the course of deliberations by the Personnel Committee, sufficient information is provided to the outside directors so that they are able to perform their analysis, including, for instance, by asking for advice from external specialist organizations where necessary.

In regard to the method of calculating performance-based stock compensation, the matter is submitted to the Personnel Committee. A precondition is that among committee members, executive directors do not participate in deliberations regarding decisions on performance-based stock compensation. When all outside directors have agreed and made a decision on performance-based stock compensation, the decision is finalized through a resolution of the Board of Directors. In addition, at the business management companies, etc., in accordance with decisions based on the resolution of the Company's Board of Directors, decisions are made through resolution of the board of directors of each of the business management companies, etc.

Shareholdings

Standards for and approach to the classification of investment shares

The Company holds as investment shares only cross-shareholdings that can be recognized to contribute to increasing corporate value. The Company does not hold investment shares for pure investment purposes (investment shares held exclusively with the objective of obtaining profits through stock price fluctuations or stock-related dividends).

Investment shares held for purposes other than pure investment

The Company has a basic policy of implementing cross-shareholdings on a strategic, limited basis, provided that holding such shares can be recognized to contribute to increasing the Company's corporate value by further bolstering business partnerships and by maintaining and/or strengthening a stable business relationship with such companies. Such a determination is based on factors including the companies' business developments, the status of business with the companies, and the market price of the shares.

Also, each year, the Company shall implement a sufficient review, including whether or not to continue to hold cross-shareholdings, by the Board of Directors, of all cross-shareholdings from a medium- to long-term perspective, taking into consideration the importance of the cross-shareholdings and economic rationale. The Company shall also reflect the results of these reviews in

explanations regarding the objectives of the cross-shareholdings, etc. Specifically, reviews are conducted in light of the following perspectives.

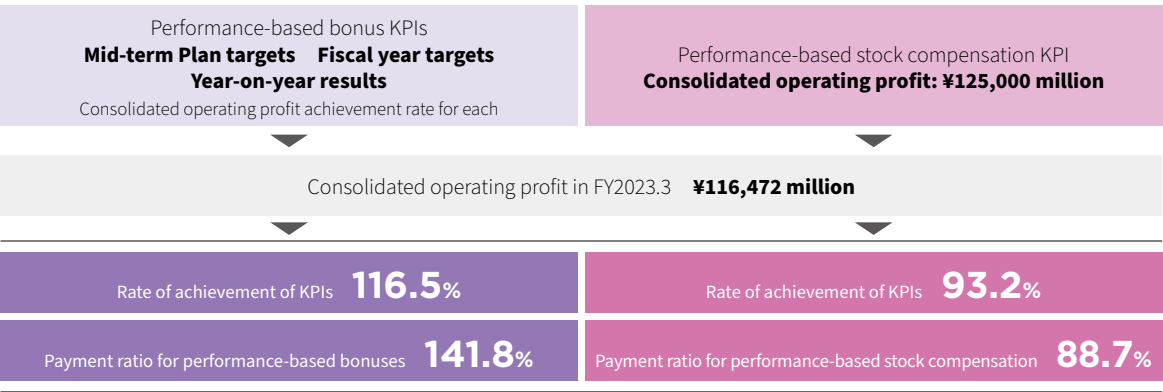
- I. The necessity for the enhancement of the Company's corporate value going forward, such as the further strengthening of the IP axis strategy through the creation of IP or the expansion of businesses fields.
- II. The level of contribution to the enhancement of the Company's corporate value, such as the current status of transactions or business alliances with the company in question.
- III. The relationship between the benefit of ownership and the Company's cost of capital with respect to the acquisition price of each cross-shareholding.

As a result of the review in FY2023.3, the Company confirmed the appropriateness of holding all of the shares held.

In exercising the voting rights of cross-shareholdings, the Company does not unconditionally agree with the proposals of the companies whose shares it owns. Rather, voting rights are exercised based on whether or not the proposals will contribute to increasing the Company's corporate value through the maintenance and/or bolstering of the business partnership and business relationship with such companies.

Reference

Performance-based remuneration results



FY2023.3		Total amount of compensation, etc., by type (¥ million)	Number of eligible officers (people)	Total amount of compensation, etc., by type (¥ million)		
Officer category	Total amount of compensation, etc. (¥ million)			Performance-based remuneration	Of the amount on the left, performance-based stock compensation, etc.	Number of eligible officers (people)
Directors (excluding Audit & Supervisory Committee members and outside directors)	541	190	4	350	151	3
Directors who are Audit & Supervisory Committee members (excluding outside directors)	21	21	1	—	—	—
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	6	6	1	—	—	—
Outside officers	92	92	10	—	—	—

Note: The amount of performance-based stock compensation is calculated based on the closing price of the common stock of the Company on the Tokyo Stock Exchange, Prime Market, on March 31, 2023, and when making actual payment, the delivery share price is applied.

Number of issues and carrying amount on balance sheet

	Number of issues	Total carrying amount on balance sheet (¥ million)
Unlisted shares	7	1,452
Shares other than unlisted shares	34	116,375

Issues for which the number of shares increased in FY2023.3

	Number of issues	Total acquisition cost related to the increase in the number of shares (¥ million)
Unlisted shares	—	—
Shares other than unlisted shares	—	—

Issues for which the number of shares decreased in FY2023.3

	Number of issues	Total selling price related to the decrease in the number of shares (¥ million)
Unlisted shares	—	—
Shares other than unlisted shares	—	—

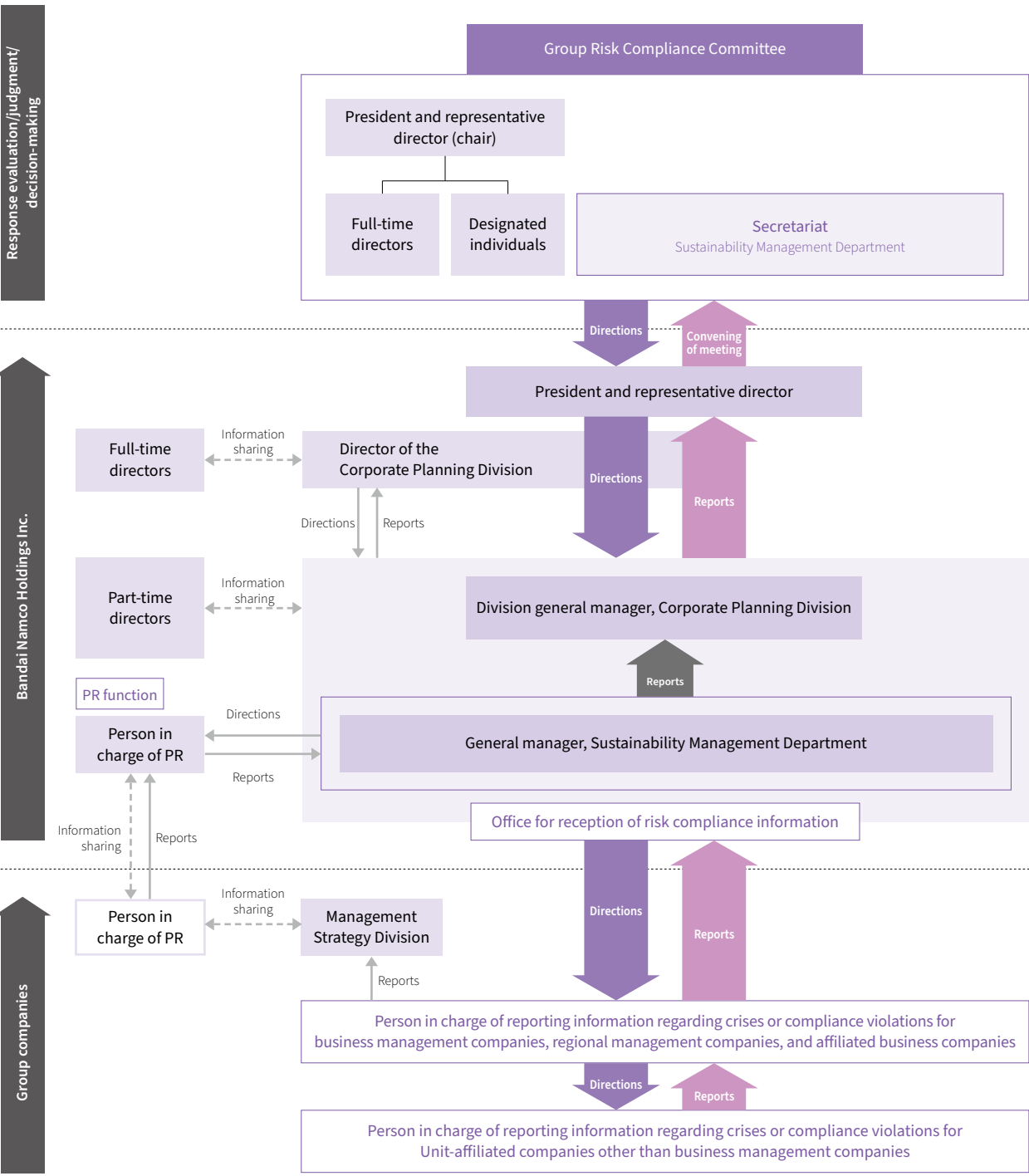
Percentage of consolidated net assets



Compliance and Risk Management

Should violations of compliance occur or risk arise, a meeting of the Group Risk Compliance Committee, chaired by the president and representative director, is convened immediately to ensure a quick and appropriate response. Each month, the Group Risk Compliance Committee secretariat reports to the Board of Directors any information on compliance and risk and how they have been managed in the Company and its subsidiaries.

Flow of the Group's Risk Compliance System



In order to ensure abidance of laws, respect of ethical behavior, and compliance with internal regulations, the Company has set in place the Bandai Namco Group Compliance Charter to define behavioral guidelines for directors, etc., and employees of the Company and its subsidiaries, and is working to ensure that they are familiar with the Charter by putting up posters and distributing the Compliance Book. In addition, the director in charge of compliance of the Company strives to enhance compliance awareness by carrying out management of the overall compliance of the Group and periodical training using e-learning tools and other programs. The Company also investigates the degree of actual awareness by distributing surveys on compliance awareness to all employees and strives to strengthen the compliance systems by sharing the results of the survey with each subsidiary director in charge of compliance. Furthermore, as a whistleblowing system, the Company has also established an internal consultation service, an external consultation service provided by external legal advisors, and a hotline (email, etc.) for employees to use to report directly to directors who are Audit & Supervisory Committee members or to Audit & Supervisory Board members of subsidiaries. The Company and its major

subsidiaries have also included provisions in their internal regulations to ensure the protection of whistleblowers. For risk management, the Company and its subsidiaries have established guidelines on risk management and have formulated and operate a business continuity plan (BCP) and a business continuity management (BCM) system for the Group. The Company is working to ensure that directors, etc., and employees of the Company and its subsidiaries are well aware of these guidelines and systems.

Bandai Namco Group Compliance Charter

The Charter brings together matters that need to be strictly observed in business execution by all Group officers and employees. It clarifies principles related to the following:

- Appropriate products and services/fair dealings
- Respect for all employees
- Information disclosure
- Respect for and usage of intellectual property
- Protection of information and resources
- Rejection of anti-society groups
- Harmony with the environment
- Harmony with society

Takeover Defenses

At present, the Company has taken no specific measures as takeover defenses. The Group regards implementing its management and business strategies in accordance with the measures to increase the corporate value of the Group and aiming to increase the corporate value of the Group as a whole as a substantial defense against inappropriate takeovers. That said, since the Group is entrusted by shareholders as the management of the Group, we will work on studying and developing a system of takeover defenses, with a close eye on legal and social trends, in anticipation of situations in which an inappropriate entity or person might emerge to have decision-making power over the Company's financial and business policies.

In concrete terms, in the event an inappropriate bidder emerges, the management team will not take steps to guard its own interests against the takeover offer by the bidder, but will sufficiently deliberate the matter at the Board of Directors' meetings after referring the matter to the Independent Directors Committee for their review from objective viewpoints, to enable the Company to make a judgment from the perspective of improving corporate value first. The Company will also work to collect sufficient information and secure necessary time, so as to be conducive to appropriate judgment by the shareholders.

IR Activities

Aiming to enhance corporate value, Bandai Namco Holdings is implementing a variety of investor relations (IR) activities in accordance with information disclosure standards and the IR policy related to IR opportunity enhancement, etc. In addition, the status of IR activities and the reactions of investors and analysts are shared with directors and continually communicated as feedback to the business management companies and throughout the Group. Also, Bandai Namco aims to be a highly transparent company that clearly communicates management strategies and business policies to shareholders and investors. Accordingly, the Company works to enhance opportunities for executives to speak directly to investors and securities analysts, such as results presentations.

Results of Major IR Activities in FY2023.3	
Results presentations for investors and analysts (held online)	4 times (573 online)
Attendees at separate meetings for investors and analysts	569 people
IR events for investors and analysts	1 time



Results presentations held online

Internal Control System

The Bandai Namco Group’s basic policy regarding its internal control system is as below:

(1) Systems to ensure that the execution of the duties by directors, etc., and employees of the Company and its subsidiaries is in compliance with the laws and regulations and the articles of incorporation

- The Company shall set in place Bandai Namco’s Purpose and the Bandai Namco Group Compliance Charter to ensure that directors and employees of the Company and its subsidiaries are familiar with them, and always pay due attention to ensure they carry out their duties lawfully and fairly.
- Directors of the Company shall report periodically to the Board of Directors on the structure and operating status of internal control systems.
- The Company shall install a director in charge of compliance who is responsible for supervision of compliance overall based on its compliance regulations, and establish a structure ensuring that the Company and the entire Group abides by the law, behaves ethically, and complies with internal regulations.
- Should violations of compliance or suspicions thereof occur within the Group, the Company shall immediately convene the Group Risk Compliance Committee with the Company’s president and representative director as its chair to discuss and decide how the issue should be handled.
- Overseas, an overseas regional management companies shall be determined for each region to manage risk and support compliance.
- Internal reporting systems including an internal consultation point, an external consultation point comprising external legal advisors, and a hotline (email, etc.), which enables reporting directly delivered to directors who are Audit & Supervisory Committee members or Audit & Supervisory Board members of subsidiaries, shall be put in place in the Company and its major subsidiaries.
- The Internal Auditing Division shall be established independently of the executive sections in the Company and its major subsidiaries to work toward maintaining the properness of execution of operations through internal audits.

(2) Systems for preserving and managing information related to directors’ execution of their duties

- The Company shall establish regulations concerning document management and ensure (i) the centralized management of documents circulated for approval, minutes of various meetings, contracts, and other documents, and (ii) appropriate safe-keeping and management of important documents in each department. The Company shall also have a system to ensure that directors may peruse those documents at any time.
- The Company shall establish regulations concerning information security as a part of Group management. These regulations will provide for a system to ensure appropriate safekeeping and preservation of information.

(3) Regulations concerning management for risk of loss of the Company and its subsidiaries and other systems

- The Company shall establish regulations concerning risk management and compliance as a part of Group management. Throughout the Group, we will work to prevent risk and to discover risk factors as rapidly as possible.
- When risk arises, the Company shall convene the Group Risk Compliance Committee without delay to minimize the impact of risk on our business by responding to risk quickly and in an appropriate manner.
- Anticipating the occurrence of situations that could cause drastic damage to the management of the Group through a major disaster or the like, the Group shall define the basic policy for a business continuity plan (BCP) for the Group, and formulate a BCP for the Group and organize a business continuity management (BCM) system to achieve rapid recovery and restart of operations. Directors and employees of the Company and its subsidiaries shall be made aware of this.

(4) Systems to ensure that directors, etc., of the Company and its subsidiaries execute their duties efficiently

- The Company shall classify its subsidiaries into Units based on business segments, and appoint a director and a business management company in charge of each Unit to promote efficient business based on the division of duties, chain of command, authorities and decision-making, and other organizational regulations within the Group.
- The Company shall formulate a Mid-term Plan with a period of three business years for the entire Group and each Unit, and determine the budget for each business year based on those Mid-term Plans.
- The Company shall establish the Full-Time Officers Committee consisting of full-time directors and delegate authority from the Board of Directors to such committee to make certain decisions on the execution of duties in order to expedite decision-making.

(5) Systems concerning reporting matters regarding execution of duties of directors, etc., of subsidiaries to the Company

- The Company shall establish meetings such as the Group Business Report Meeting and the Group Management Meeting, and put in place a system for reporting inside the Group and decision-making.

(6) Other systems to ensure proper business behavior by the Company and its subsidiaries

- The Company shall revise the Bandai Namco Group Compliance Charter as appropriate in response to revisions to laws and regulations and changes in the social context surrounding the Group, and shall ensure that the contents of the Charter are made thoroughly known to directors, etc., and employees of the Company and its subsidiaries by distributing the Bandai Namco Group Compliance Handbook and through training. It shall also

regularly conduct compliance awareness surveys of directors, etc., and employees of the Company and its subsidiaries to ascertain their level of familiarity, etc., with the said Charter and utilize the results for subsequent compliance promotion activities of the Group.

- The Company and its subsidiaries shall endeavor to improve and standardize business processes considering the importance of effectiveness and efficiency in business operations, and shall evaluate and operate internal controls on financial reporting based on related laws and regulations, etc.

(7) Matters regarding employees required by the Audit & Supervisory Committee to assist in its duties, and matters regarding the independence of such employees from directors (excluding directors who are Audit & Supervisory Committee members)

- The Company shall provide a speedy response when the Audit & Supervisory Committee asks the president and representative director to provide employees to assist in their duties. Where that employee simultaneously works for any other section, his or her business duties pertaining to the Audit & Supervisory Committee shall take priority.
- The Company shall carry out personnel matters relating to such employees based on the consent of the Audit & Supervisory Committee, so as to ensure independence from the Board of Directors.

(8) Matters concerning ensuring the effectiveness of instructions to employees who are to assist the Audit & Supervisory Committee

- The Company shall keep directors and employees thoroughly informed that employees who are to assist in the duties of the Audit & Supervisory Committee will be under the command of the Audit & Supervisory Committee.

(9) System for directors (excluding directors who are Audit & Supervisory Committee members), etc., and employees of the Company and its subsidiaries to report to the Company’s Audit & Supervisory Committee

- Directors (excluding Audit & Supervisory Committee members), etc., and employees of the Company and its subsidiaries shall report promptly to the Audit & Supervisory Committee with regard to matters prescribed by laws and regulations, other matters that have a major impact on the Company and the Group, implementation status of internal audits, and matters related to compliance.
- Directors (excluding Audit & Supervisory Committee members), etc., and employees of the Company and its subsidiaries shall report promptly and appropriately when requested to do so by the Audit & Supervisory Committee regarding the performance of their duties.
- The Company shall put in place a hotline (email, etc.) as an internal reporting system to allow reports to be made directly to the Company’s directors who are Audit & Supervisory Committee members.

(10) System for ensuring that persons making reports to the Audit & Supervisory Committee shall not be treated disadvantageously as a result of making such report

- The Company shall prohibit the disadvantageous treatment of persons who have reported to or consulted with the Audit & Supervisory Committee, and shall state that clearly in the Group Risk Compliance Regulations and make it thoroughly known to directors, etc., and employees of the Company and its subsidiaries.

(11) Matters regarding policies pertaining to procedures for advance payments or reimbursement of expenses arising in the performance of duties of Audit & Supervisory Committee members and other payment of expenses or liabilities arising in the performance of said duties

- The Company shall immediately pay expenses or liabilities where a director who is an Audit & Supervisory Committee member has requested advance payments or reimbursement of expenses arising in the performance of his or her duties, excluding cases where they were not considered necessary for the performance of the said duties of the director who is an Audit & Supervisory Committee member.

(12) Other systems to ensure the effectiveness of audits conducted by the Audit & Supervisory Committee

- Directors (excluding Audit & Supervisory Committee members) of the Company shall formulate a system whereby directors who are Audit & Supervisory Committee members can attend important meetings, and ensure that a system exists whereby they can meet periodically or on an ad hoc basis with directors and employees, and cooperate with the Internal Auditing Division and accounting auditors.
- Subsidiaries of the Company shall install an appropriate number of Audit & Supervisory Board members according to their scale, business category, etc., and ensure that there are systems in place wherein Audit & Supervisory Board members of subsidiaries report periodically to the Audit & Supervisory Committee of the Company.

DIRECTOR SYSTEM

As of June 19, 2023

The Company works to see that the Board of Directors has a good overall balance between executive directors, who execute agile business operations and have thorough knowledge of the Company's businesses or company operations, etc., and outside directors, who possess advanced expertise and are capable of providing management advice and oversight with a wide range of viewpoints. In addition, the Company strives to see that the directors have the knowledge, experience, and capabilities to fulfill their duties and that the composition of the Board achieves both diversity and an appropriate scale.

Executive Directors

	Position, name, and areas of responsibility	Number of Company shares owned (as of the end of March 2023)	Reasons for appointment		Major experience and expertise										Attendance at meetings of the Board of Directors (FY2023.3)	
					Corporate management	Operational experience					Finance, tax affairs, and accounting	Sustainability	Internationality	Legal affairs	Digital technology and information security	Number of meetings attended/ Number of meetings held
						Digital	Toys and hobby	Visual/music	IP creation/development	Facilities/machines						
 President and Representative Director Group CEO Masaru Kawaguchi		186,000	Mr. Masaru Kawaguchi has been supervising the management of the Company appropriately since being appointed as executive vice president and director of the Company in 2020 and as president and representative director of the Company in 2021—by, for example, achieving the previous Mid-term Plan and record-high performance—and possesses extensive experience, achievements, and knowledge. He has been appointed as the Company considers him capable of ensuring that the Group continues to grow.													19/19
 Director Yuji Asako Corporate Planning Division and Group Administrative Headquarters		148,800	Mr. Yuji Asako possesses extensive experience, achievements, and knowledge relating to management and administration, including business planning and accounting, and also has experience in roles where he was responsible for internal and external communications, such as IR, PR, and SR, as well as information security and sustainability activities. He has been appointed as the Company considers him capable of implementing the Group's management strategies and seeking a sustained increase in corporate value.													19/19
 Director Nobuhiko Momoi General manager of the Group Business Strategy Department		20,400	Mr. Nobuhiko Momoi possesses extensive experience, achievements, and knowledge in the Toys and Hobby Business in Japan and overseas and has also been engaged in building ties among the various businesses of the Group as executive officer and general manager of the Group Business Strategy Department of the Company since 2022. He has been appointed as the Company considers him capable of enhancing collaboration in Group management.													15/15
 Director (Part-time) Nao Udagawa Director in charge of the Digital Business of the Entertainment Unit		52,800	Ms. Nao Udagawa possesses extensive experience, achievements, and knowledge from her wide-ranging involvement in multiple businesses in the Group. Since 2023, she has driven the business forward as the president and CEO of Bandai Namco Entertainment Inc., which is the business management company of the Digital Business of the Entertainment Unit in the Group. She has been appointed as the Company considers her capable of building closer ties between the Digital Business and Group management.													—
 Director (Part-time) Kazuhiro Takenaka Director in charge of the Toys and Hobby Business of the Entertainment Unit		65,400	Mr. Kazuhiro Takenaka possesses extensive experience, achievements, and knowledge in the Toys and Hobby Business and, since 2021, has driven the business forward as president and CEO of Bandai Co., Ltd., which is the business management company of the Toys and Hobby Business of the Entertainment Unit in the Group. In addition to these factors, he has been appointed as the Company considers him capable of building closer ties between the Toys and Hobby Business and Group management.													15/15
 Director (Part-time) Makoto Asanuma Director in charge of the IP Production Unit		65,700	Mr. Makoto Asanuma possesses extensive experience, achievements, and knowledge from his wide-ranging involvement in multiple businesses in the Group. Since 2019, he has driven the business forward as the president and CEO of Sunrise Inc. (currently Bandai Namco Filmworks Inc.), which is the current business management company of the IP Production Unit in the Group. He has been appointed as the Company considers him capable of building closer ties between the IP Production Business and Group management.													19/19
 Director (Part-time) Hiroshi Kawasaki Director in charge of the Amusement Unit		78,150	Mr. Hiroshi Kawasaki possesses extensive experience, achievements, and knowledge from his wide-ranging involvement in multiple businesses in the Group. Since 2021, he has driven the business forward as the president and CEO of Bandai Namco Amusement Inc., which is the business management company of the Amusement Unit in the Group. He has been appointed as the Company considers him capable of building closer ties between the Amusement Business and Group management.													18/19
 Director (Part-time) Shuji Ohtsu Director in charge of Bandai Namco Business Arc Inc.		139,500	Mr. Shuji Ohtsu possesses specialist expertise as a certified public accountant, as well as extensive experience and achievements. He has been appointed as the Company considers him capable of strengthening Group management structures and ensuring highly transparent management.													19/19

Note: On April 1, 2023, the Company implemented a share split at a ratio of three shares for every one share of common stock. The number of shares after this share split is stated.
Mr. Nobuhiko Momoi and Mr. Kazuhiro Takenaka were elected at the 17th Ordinary General Meeting of Shareholders held on June 20, 2022, and accordingly the number of Board of Directors' meetings on which the attendance rate is based differs from that of other directors.
Ms. Nao Udagawa was elected at the 18th Ordinary General Meeting of Shareholders held on June 19, 2023, and accordingly did not attend meetings of the Board of Directors in FY2023.3.
Member of the Personnel Committee

Outside Directors Who Are Not Audit & Supervisory Committee Members

	Position and name	Major concurrent positions	Number of Company shares owned (as of the end of March 2023)	Reasons for appointment		Major experience and expertise										Independence	Attendance at meetings of the Board of Directors (FY2023.3)	
						Corporate management	Operational experience					Finance, tax affairs, and accounting	Sustainability	Internationality	Legal affairs	Digital technology and information security		Number of meetings attended/ Number of meetings held
							Digital	Toys and hobby	Visual/music	IP creation/ development	Facilities/ machines							
 Director (Part-time, Outside) Toshio Shimada		Special advisor of CAC Holdings Corporation Outside director of AEON DELIGHT CO., LTD.	—	Given Mr. Toshio Shimada's extensive knowledge and experience in corporate management, the Company anticipates that he will be able to further strengthen management oversight and checking functions, and introduce his extensive knowledge concerning fusion of corporate management and digital technology into the Company's managerial perspective, and thus he has been appointed.														19/19
 Director (Part-time, Outside) Koichi Kawana		Outside director of TOKYO ELECTRON DEVICE LIMITED External director of RENOVA, Inc. External director of ispace, inc. Outside director of Kubota Corporation	—	Given Mr. Koichi Kawana's extensive knowledge and experience in corporate management, the Company anticipates that he will be able to further strengthen management oversight and checking functions, and introduce a global managerial perspective based on his extensive experience working overseas, and thus he has been appointed.														19/19

Directors Who Are Audit & Supervisory Committee Members

	Position and name	Major concurrent positions	Number of Company shares owned (as of the end of March 2023)	Reasons for appointment		Major experience and expertise										Independence	Attendance at meetings of the Board of Directors (FY2023.3)	
						Corporate management	Operational experience					Finance, tax affairs, and accounting	Sustainability	Internationality	Legal affairs	Digital technology and information security		Number of meetings attended/ Number of meetings held
							Digital	Toys and hobby	Visual/music	IP creation/ development	Facilities/ machines							
 Director Masataka Nagaike			9,900	Given his many years of experience in engaging in work in the administration divisions, and mastering corporate legal affairs, the Company expects Mr. Masataka Nagaike to utilize his knowledge and experience for the audit and supervisory system of the Company, and thus he has been appointed.														19/19
 Director (Outside) Toru Shinoda		Certified public accountant	1,200	Given his many years engaged in audit practices, and given he is a certified public accountant, the Company expects Mr. Toru Shinoda to utilize his advanced knowledge and experience in accounting and auditing for the audit and supervisory system of the Company, and thus he has been appointed.														19/19
 Director (Part-time, Outside) Satoko Kuwabara		Attorney-at-law partner of GAIEN PARTNERS Outside auditor of Unicafe Inc. Outside director (Audit & Supervisory Committee member) of Nippon Yusen Kabushiki Kaisha Outside director of Mitsubishi UFJ Financial Group, Inc.	—	Given her many years of experience as an attorney-at-law, the Company expects Ms. Satoko Kuwabara to utilize her advanced knowledge and experience from a legal risk perspective, and thus she has been appointed.														19/19
 Director (Part-time, Outside) Takayuki Komiya		Certified public accountant Certified public tax accountant	300	Given his many years mastering accounting and tax practices, and given he is a certified public accountant and a certified public tax accountant, the Company expects Mr. Takayuki Komiya to utilize his advanced knowledge and experience in accounting, tax affairs, and auditing in order to strengthen the audit and supervisory system of the Company, and thus he has been appointed.														15/15

Note: On April 1, 2023, the Company implemented a share split at a ratio of three shares for every one share of common stock. The number of shares after this share split is stated.
Mr. Takayuki Komiya was elected at the 17th Ordinary General Meeting of Shareholders held on June 20, 2022, and accordingly the number of Board of Directors' meetings on which the attendance rate is based differs from that of other directors.

Member of the Personnel Committee
 Member of the Independent Directors Committee

FINANCIAL SECTION

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Note: The consolidated financial statements are expressed in yen.
However, solely for the convenience of the reader, the consolidated financial statements as of and for the fiscal year ended March 31, 2023, have been translated into U.S. dollars at the rate of ¥133.53=U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market on March 31, 2023. This translation should not be construed as an indication that the amounts shown could be converted into U.S. dollars at such rate.

CONSOLIDATED SIX-YEAR FINANCIAL SUMMARY

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
For the Fiscal Years Ended March 31

Millions of yen, except per share data and main financial indicators

	2018	2019	2020	2021	2022	2023
For the Year:						
Net sales	¥678,312	¥732,347	¥723,989	¥740,903	¥889,270	¥990,089
Gross profit	241,581	262,555	260,948	282,006	356,265	368,656
Selling, general and administrative expenses	166,557	178,510	182,172	197,352	230,769	252,183
Operating profit	75,024	84,045	78,775	84,654	125,496	116,472
Recurring profit* ¹	75,380	86,863	79,797	87,612	133,608	128,006
Profit attributable to owners of parent	54,109	63,383	57,665	48,894	92,752	90,345
Comprehensive income	56,024	69,952	53,312	90,527	96,299	116,064
Capital expenditures	60,501	29,016	33,406	31,507	36,554	45,737
Depreciation and amortization	23,545	21,370	23,239	24,684	25,726	28,671
Cash flows from operating activities	55,138	79,811	43,131	60,483	121,212	95,625

At Year-End:

Total assets	¥540,490	¥612,955	¥619,819	¥732,782	¥862,650	¥926,358
Total current assets	350,618	397,951	383,662	455,210	577,206	592,637
Total current liabilities	136,202	163,893	142,506	175,920	243,362	247,323
Total net assets	387,354	429,644	454,684	511,433	584,233	652,133

Per Share Data (Yen):

Basic earnings per share* ⁴	¥ 82.10	¥ 96.13	¥ 87.46	¥ 74.19	¥ 140.70	¥ 136.88
Cash dividends* ⁵	123.00	145.00	132.00	112.00	212.00	206.00

Main Financial Indicators:

Return on equity (ROE)* ² (%)	14.7	15.5	13.1	10.2	16.9	14.6
Return on assets (ROA)* ³ (%)	14.7	15.1	12.9	13.0	16.7	14.3
Selling, general and administrative expenses to net sales (%)	24.6	24.4	25.2	26.6	26.0	25.5
Operating profit margin (%)	11.1	11.5	10.9	11.4	14.1	11.8
Profit attributable to owners of parent margin (%)	8.0	8.7	8.0	6.6	10.4	9.1
Shareholders' equity ratio (%)	71.5	70.0	72.5	69.7	67.7	70.4
Debt/equity ratio (Times)	0.00	0.00	0.01	0.05	0.05	0.03

*¹ Recurring profit is a Japanese accounting term denoting income before extraordinary items.

*² ROE = Profit attributable to owners of parent / Average total shareholders' equity (= Total net assets – Stock acquisition rights – Non-controlling interests)

*³ ROA = Recurring profit / Average total assets

*⁴ The Company conducted a share split with a ratio of three shares for every one share of common stock on April 1, 2023.

Basic earnings per share was calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2018.

*⁵ The actual amount of dividends per share before the aforementioned share split is stated.

CONSOLIDATED BALANCE SHEETS

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
As of March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars (Note)
	2022	2023	2023
Assets			
Current assets:			
Cash and time deposits	¥ 279,401	¥ 280,226	\$ 2,098,603
Trade receivables and contract assets	122,742	99,007	741,460
Allowance for doubtful receivables	(2,001)	(1,086)	(8,134)
Inventories	124,250	152,223	1,139,996
Other current assets	52,814	62,266	466,311
Total current assets	577,206	592,637	4,438,238
Property, plant and equipment:			
Buildings and structures	40,416	44,724	334,940
Amusement facilities and machines	59,298	59,443	445,167
Land	42,869	46,476	348,061
Other property, plant and equipment	151,528	172,240	1,289,902
Total	294,112	322,885	2,418,072
Less accumulated depreciation	(201,662)	(215,426)	(1,613,322)
Net property, plant and equipment	92,450	107,458	804,749
Intangible assets:			
Goodwill	14,887	14,561	109,048
Other intangible assets	19,540	21,622	161,926
Total intangible assets	34,428	36,183	270,975
Investments and other assets:			
Investment securities	113,261	140,706	1,053,741
Deferred tax assets	25,732	27,572	206,492
Net defined benefit asset	525	596	4,463
Other investments and assets	19,831	21,860	163,708
Allowance for doubtful receivables	(784)	(656)	(4,916)
Total investments and other assets	158,565	190,078	1,423,490
Total assets	¥ 862,650	¥ 926,358	\$ 6,937,453

	Millions of yen		Thousands of U.S. dollars (Note)
	2022	2023	2023
Liabilities and net assets			
Current liabilities:			
Trade payables	¥ 99,810	¥ 99,244	\$ 743,239
Short-term borrowings	10,810	10,770	80,662
Accrued income taxes	22,891	26,022	194,881
Contract liabilities	22,912	22,567	169,007
Provisions	3,745	4,078	30,544
Other current liabilities	83,191	84,638	633,857
Total current liabilities	243,362	247,323	1,852,192
Long-term liabilities:			
Provisions	249	118	891
Net defined benefit liability	5,261	3,710	27,787
Deferred tax liabilities	4,148	5,457	40,868
Other long-term liabilities	25,393	17,614	131,914
Total long-term liabilities	35,053	26,901	201,461
Total liabilities	278,416	274,224	2,053,653
Net assets:			
Shareholders' equity:			
Common stock	10,000	¥10,000	74,889
Authorized: 2,500,000,000 shares*1			
Issued: 666,000,000 shares*1			
Capital surplus	52,574	52,897	396,149
Retained earnings	482,147	523,923	3,923,635
Treasury stock, at cost; 6,069,618 shares in 2022, and 5,949,648 shares in 2023*1	(2,140)	(2,102)	(15,742)
Subtotal	542,581	584,718	4,378,932
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities, net of tax	45,037	62,671	469,346
Deferred gains or losses on hedges, net of tax	901	(656)	(4,913)
Revaluation reserve for land, net of tax	(4,016)	(4,016)	(30,081)
Foreign currency translation adjustments	1,886	11,049	82,750
Remeasurements of defined benefit plans, net of tax	(2,394)	(1,915)	(14,347)
Subtotal	41,413	67,132	502,752
Non-controlling interests	237	282	2,114
Total net assets	584,233	652,133	4,883,799
Total liabilities and net assets	¥862,650	¥926,358	\$6,937,453

*1 The Company made partial amendments to the Articles of Incorporation in conjunction with a share split on April 1, 2023. As a result, the total number of authorized shares increased by 1,500,000,000 shares to 2,500,000,000 shares. Total number of issued shares at the end of the period and number of shares of treasury stock at the end of the period have been presented assuming that the share split was conducted at the beginning of the previous fiscal year.

CONSOLIDATED STATEMENTS OF INCOME AND
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
Years Ended March 31, 2022 and 2023

Consolidated Statements of Income

	Millions of yen		Thousands of U.S. dollars (Note)
	2022	2023	2023
Net sales	¥889,270	¥990,089	\$7,414,733
Cost of sales	533,004	621,433	4,653,883
Gross profit	356,265	368,656	2,760,850
Selling, general and administrative expenses	230,769	252,183	1,888,591
Operating profit	125,496	116,472	872,258
Other income (loss):			
Interest and dividend income	1,454	2,639	19,764
Interest expense	(377)	(332)	(2,490)
Foreign exchange gains (losses)	5,519	5,010	37,523
Loss on valuation of derivatives	(244)	—	—
Share of profit (loss) of entities accounted for using equity method	618	2,323	17,403
Loss on investments in deferred compensation plan	—	(144)	(1,082)
Loss on valuation of investment securities	—	(553)	(4,144)
Gain on sale of shares of subsidiaries and associates	2	510	3,820
Gain (loss) on sales and disposal of fixed assets, net	2,310	(491)	(3,682)
Loss on impairment of fixed assets	(2,994)	(1,251)	(9,370)
Extra retirement payments	(1,257)	—	—
Subsidies for employment adjustment and other related to COVID-19	909	132	991
Other	(554)	1,900	14,231
	5,385	9,742	72,963
Profit before income taxes	130,882	126,215	945,222
Income taxes	38,295	35,870	268,632
Profit	92,587	90,345	676,590
Profit (loss) attributable to non-controlling interests	(165)	0	0
Profit attributable to owners of parent	¥ 92,752	¥ 90,345	\$ 676,589

	Yen		U.S. dollars (Note)
	2022	2023	2023
Per share data:*			
Net assets at March 31	¥884.94	¥987.58	\$7.40
Earnings per share:			
Basic	140.70	136.88	1.03
Diluted	—	—	—
Cash dividends applicable to period	212.00	206.00	1.54

*1 The Company conducted a share split with a ratio of three shares for every one share of common stock on April 1, 2023. Net assets per share and basic earnings per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year. Cash dividends applicable to period is based on the amount before the aforementioned share split.

Consolidated Statements of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (Note)
	2022	2023	2023
Profit	¥92,587	¥ 90,345	\$676,590
Other comprehensive income:			
Valuation difference on available-for-sale securities, net of tax	(6,505)	17,688	132,468
Deferred gains or losses on hedges, net of tax	(87)	(1,554)	(11,638)
Foreign currency translation adjustments	9,323	9,164	68,629
Remeasurements of defined benefit plans, net of tax	1,025	478	3,583
Share of other comprehensive income of associates accounted for using equity method	(44)	(57)	(433)
Total other comprehensive income	3,711	25,719	192,608
Comprehensive income	¥96,299	¥116,064	\$869,199
Comprehensive income attributable to:			
Owners of parent	¥96,464	¥116,063	\$869,195
Non-controlling interests	(165)	0	4

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
Years Ended March 31, 2022 and 2023

Year ended March 31, 2022

	Shareholders' equity					Accumulated other comprehensive income						Millions of yen	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities, net of tax	Deferred gains or losses on hedges, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income	Non-controlling interests	Total net assets at end of year
Balance at beginning of year	¥10,000	¥52,232	¥414,487	¥(3,905)	¥472,814	¥51,587	¥988	¥(4,016)	¥(7,438)	¥(3,419)	¥37,701	¥ 917	¥511,433
Cumulative effects of changes in accounting policies			179		179								179
Restated balance	10,000	52,232	414,666	(3,905)	472,993	51,587	988	(4,016)	(7,438)	(3,419)	37,701	917	511,612
Cash dividends			(25,271)		(25,271)								(25,271)
Profit attributable to owners of parent			92,752		92,752								92,752
Change in scope of consolidation - foreign currency translation adjustment					—				160		160		160
Change in ownership interest of parent due to transactions with non-controlling interests		(108)			(108)							(482)	(591)
Purchase of treasury stock				(8)	(8)								(8)
Disposal of treasury stock		451		1,772	2,224								2,224
Change in treasury stock accompanying changes to holdings in companies to which the equity method is applied				0	0								0
Net changes of items other than shareholders' equity						(6,549)	(87)	—	9,164	1,025	3,552	(197)	3,355
Balance at end of year	¥10,000	¥52,574	¥482,147	¥(2,140)	¥542,581	¥45,037	¥901	¥(4,016)	¥ 1,886	¥(2,394)	¥41,413	¥ 237	¥584,233

Year ended March 31, 2023

	Shareholders' equity					Accumulated other comprehensive income						Millions of yen	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities, net of tax	Deferred gains or losses on hedges, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income	Non-controlling interests	Total net assets at end of year
Balance at beginning of year	¥10,000	¥52,574	¥482,147	¥(2,140)	¥542,581	¥45,037	¥ 901	¥(4,016)	¥ 1,886	¥(2,394)	¥41,413	¥237	¥584,233
Cash dividends			(47,310)		(47,310)								(47,310)
Profit attributable to owners of parent			90,345		90,345								90,345
Change in scope of consolidation			(1,258)		(1,258)							44	(1,214)
Change in scope of consolidation - foreign currency translation adjustment					—				223		223		223
Purchase of treasury stock				(4)	(4)								(4)
Disposal of treasury stock		323		42	365								365
Change in treasury stock accompanying changes to holdings in companies to which the equity method is applied				0	0								0
Net changes of items other than shareholders' equity						17,634	(1,557)	—	8,940	478	25,495	0	25,495
Balance at end of year	¥10,000	¥52,897	¥523,923	¥(2,102)	¥584,718	¥62,671	¥ (656)	¥(4,016)	¥11,049	¥(1,915)	¥67,132	¥282	¥652,133

Year ended March 31, 2023

	Shareholders' equity					Accumulated other comprehensive income						Thousands of U.S. dollars (Note)	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities, net of tax	Deferred gains or losses on hedges, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income	Non-controlling interests	Total net assets at end of year
Balance at beginning of year	\$74,889	\$393,730	\$3,610,780	\$ (16,028)	\$4,063,371	\$337,283	\$ 6,752	\$ (30,081)	\$14,124	\$ (17,931)	\$310,147	\$1,780	\$4,375,298
Cash dividends			(354,306)		(354,306)								(354,306)
Profit attributable to owners of parent			676,589		676,589								676,589
Change in scope of consolidation			(9,427)		(9,427)							329	(9,097)
Change in scope of consolidation - foreign currency translation adjustment					—				1,672		1,672		1,672
Purchase of treasury stock				(37)	(37)								(37)
Disposal of treasury stock		2,419		320	2,739								2,739
Change in treasury stock accompanying changes to holdings in companies to which the equity method is applied				2	2								2
Net changes of items other than shareholders' equity						132,062	(11,666)	—	66,953	3,583	190,932	4	190,937
Balance at end of year	\$74,889	\$396,149	\$3,923,635	\$ (15,742)	\$4,378,932	\$469,346	\$ (4,913)	\$ (30,081)	\$82,750	\$ (14,347)	\$502,752	\$2,114	\$4,883,799

CONSOLIDATED STATEMENTS OF CASH FLOWS

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
Years Ended March 31, 2022 and 2023

		Millions of yen	Thousands of U.S. dollars (Note)
	2022	2023	2023
Cash flows from operating activities:			
Profit before income taxes	¥130,882	¥126,215	\$ 945,222
Depreciation and amortization	25,726	28,671	214,722
Loss on impairment of fixed assets	2,994	1,251	9,370
Amortization of goodwill	2,218	2,431	18,212
Increase (decrease) in allowance for doubtful accounts	610	(1,169)	(8,761)
Increase (decrease) in other provision	134	191	1,435
Increase (decrease) in retirement benefit liability	187	138	1,035
Interest and dividend income	(1,454)	(2,639)	(19,764)
Interest expenses	377	332	2,490
Foreign exchange losses (gains)	(359)	(21)	(164)
Share of loss (profit) of entities accounted for using equity method	(618)	(2,323)	(17,403)
Loss (gain) on valuation of derivatives	244	(309)	(2,318)
Loss (gain) on sales and disposal of fixed assets, net	(2,310)	491	3,682
Loss on disposal of amusement facilities and machines	105	228	1,710
Loss (gain) on sales of shares of subsidiaries and associates	(2)	(510)	(3,820)
Loss on valuation of investment securities	—	553	4,144
Decrease (increase) in trade receivables and contract assets	(26,577)	28,484	213,322
Decrease (increase) in inventories	(15,534)	(26,107)	(195,515)
Acquisition of amusement facilities and machines	(4,360)	(5,180)	(38,798)
Increase (decrease) in trade payables	16,184	(1,595)	(11,947)
Increase (decrease) in contract liabilities	22,270	(894)	(6,698)
Decrease (increase) in other current assets	(10,690)	(1,769)	(13,250)
Increase (decrease) in other current liabilities	(1,380)	(2,013)	(15,079)
Other	(2,322)	(1,604)	(12,014)
Subtotal	136,325	142,852	1,069,812
Interest and dividends received	1,447	2,579	19,318
Interest paid	(377)	(341)	(2,558)
Income taxes paid	(16,182)	(49,464)	(370,437)
Net cash provided by operating activities	121,212	95,625	716,134
Cash flows from investing activities:			
Decrease (increase) in time deposits, net	(848)	(2,386)	(17,873)
Purchases of property, plant and equipment	(19,228)	(25,376)	(190,042)
Proceeds from sales of property, plant and equipment	3,874	99	744
Purchases of intangible assets	(7,569)	(8,431)	(63,146)
Purchases of investment securities	(1,604)	(513)	(3,842)
Proceeds from sales of investment securities	624	2	19
Proceeds from sales of shares of subsidiaries	49	—	—
Purchase of shares of subsidiaries and associates	(984)	(551)	(4,126)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,019)	(15,124)
Decrease from sales of shares of subsidiaries resulting in change in scope of consolidation	—	(114)	(858)
Other	(1,449)	(1,587)	(11,886)
Net cash used in investing activities	(27,136)	(40,878)	(306,137)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	400	(179)	(1,340)
Proceeds from long-term borrowings	250	180	1,348
Repayments of long-term borrowings	(223)	(10,382)	(77,751)
Purchase of treasury stock	(8)	(4)	(37)
Proceeds from disposal of treasury stock	1,946	0	2
Proceeds from share issuance to non-controlling shareholders	—	9	73
Cash dividends paid	(25,271)	(47,310)	(354,306)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(591)	—	—
Other	(1,952)	(1,837)	(13,763)
Net cash used in financing activities	(25,450)	(59,524)	(445,775)
Effect of exchange rate changes on cash and cash equivalents	5,328	3,174	23,775
Net increase (decrease) in cash and cash equivalents	73,954	(1,602)	(12,002)
Cash and cash equivalents at beginning of year	203,698	277,891	2,081,116
Increase in cash and cash equivalents resulting from merger with non-consolidated subsidiaries	238	—	—
Cash and cash equivalents at end of year	¥277,891	¥276,288	\$2,069,113

CORPORATE DATA

As of March 31, 2023

Corporate Name:	Bandai Namco Holdings Inc.																																					
Head Office:	Bandai Namco Mirai Kenkyusho, 5-37-8, Shiba, Minato-ku, Tokyo 108-0014, Japan URL: www.bandainamco.co.jp/																																					
Capital:	¥10 billion																																					
Stock Exchange Listing:	Tokyo Stock Exchange, Prime Market (Code number: 7832)																																					
Main Business:	Planning and execution of medium- to long-term management strategies for the Bandai Namco Group; provision of support for business strategy implementation by Group companies; and management of business activities																																					
Stock Information:	Number of shares authorized: 2,500,000,000 shares Number of shares issued: 666,000,000 shares Number of shareholders of share units: 38,823 Number of shares per trading unit: 100 shares Note: The Company implemented a share split with an effective date of April 1, 2023, under which each share of stock was split into three shares. The record date of the share split was March 31, 2023. The above share information reflects the number of shares after the share split on April 1, 2023 (conducted at a ratio of three shares for every one share of common stock).																																					
Shareholders:	<table><tr><th>Name</th><th>Number of shares (Thousands)</th><th>% of total</th></tr><tr><td>The Master Trust Bank of Japan, Ltd. (Trust account)</td><td>46,039</td><td>20.92</td></tr><tr><td>Custody Bank of Japan, Ltd. (Trust account)</td><td>21,260</td><td>9.66</td></tr><tr><td>JP MORGAN CHASE BANK 380815 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)</td><td>10,945</td><td>4.97</td></tr><tr><td>XIL, LTD.</td><td>6,000</td><td>2.73</td></tr><tr><td>Kyoko Nakamura</td><td>5,604</td><td>2.55</td></tr><tr><td>The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust; MUFG Bank, Ltd., account)</td><td>4,586</td><td>2.08</td></tr><tr><td>MAL Ltd.</td><td>4,400</td><td>2.00</td></tr><tr><td>Nintendo Co., Ltd.</td><td>3,845</td><td>1.75</td></tr><tr><td>STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)</td><td>3,564</td><td>1.62</td></tr><tr><td>KOREA SECURITIES DEPOSITORY-SAMSUNG (Standing Proxy: Citibank, N.A., Tokyo Branch)</td><td>3,347</td><td>1.52</td></tr><tr><td colspan="3">Note: The shareholding ratio is calculated after reduction of the number of treasury stocks.</td></tr></table>		Name	Number of shares (Thousands)	% of total	The Master Trust Bank of Japan, Ltd. (Trust account)	46,039	20.92	Custody Bank of Japan, Ltd. (Trust account)	21,260	9.66	JP MORGAN CHASE BANK 380815 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	10,945	4.97	XIL, LTD.	6,000	2.73	Kyoko Nakamura	5,604	2.55	The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust; MUFG Bank, Ltd., account)	4,586	2.08	MAL Ltd.	4,400	2.00	Nintendo Co., Ltd.	3,845	1.75	STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	3,564	1.62	KOREA SECURITIES DEPOSITORY-SAMSUNG (Standing Proxy: Citibank, N.A., Tokyo Branch)	3,347	1.52	Note: The shareholding ratio is calculated after reduction of the number of treasury stocks.		
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Ownership Breakdown:	<table><tr><th></th><th>Number of shares (Trading units)</th><th>% of total</th></tr><tr><td>Public entities</td><td>—</td><td>—</td></tr><tr><td>Financial institutions</td><td>863,450</td><td>38.93</td></tr><tr><td>Brokerages</td><td>65,361</td><td>2.95</td></tr><tr><td>Other corporate entities</td><td>258,517</td><td>11.66</td></tr><tr><td>Foreign corporate entities and others</td><td>773,690</td><td>34.87</td></tr><tr><td>Individuals, etc.</td><td>256,976</td><td>11.58</td></tr></table>			Number of shares (Trading units)	% of total	Public entities	—	—	Financial institutions	863,450	38.93	Brokerages	65,361	2.95	Other corporate entities	258,517	11.66	Foreign corporate entities and others	773,690	34.87	Individuals, etc.	256,976	11.58															
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Status of Inclusion in Indexes:	• Nikkei Stock Average (Nikkei 225) • TOPIX 100 • JPX-Nikkei Index 400 • MSCI Japan Empowering Women Index (WIN) • FTSE Blossom Japan Sector Relative Index • iSTOXX MUTB Japan Platinum Career 150 Index																																					

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OVERVIEW OF MAIN GROUP COMPANIES

As of August 31, 2023

Bandai Namco Holdings Inc.	Planning and execution of the Bandai Namco Group's medium- to long-term management strategies; provision of support for business strategy implementation by Group companies; management of business activities (Tokyo Stock Exchange, Prime Market)
Bandai Namco Holdings USA Inc.	Regional management company in the Americas, providing support for the implementation of strategies by operating companies, etc.
Bandai Namco Europe S.A.S.	Regional management company in Continental Europe, providing support for the implementation of strategies by operating companies, etc.; planning, development, and sales of home video games, and planning, development, and distribution of network content as an operating holding company
Bandai Namco Holdings Asia Co., Ltd.	Regional management company in Asia, providing support for the implementation of strategies by operating companies in Asia (excluding China)
Bandai Namco Holdings China Co., Ltd.	Regional management company in China, providing support for the implementation of strategies by operating companies, etc.
Bandai Namco Holdings UK Ltd.	Regional holding company in the U.K., providing support for the implementation of strategies by operating companies in U.K.

Entertainment Unit

Digital Business

Bandai Namco Entertainment Inc.	Planning, distribution, and sales of entertainment content, such as network content and home video games
Bandai Namco Studios Inc.	Planning, development, and operation of home video games, network content, PC content, etc.
Bandai Namco Online Inc.	Planning, development, and operation of Internet-based online games, other software, and services
D3PUBLISHER INC.	Planning, development, and sales of home video games; planning, development, and distribution of network content
B.B.STUDIO CO., LTD.	Planning and development of home video games, network content, and amusement machines
Bandai Namco Network Services Inc.	Operation, distribution, digital marketing, and localization of content in network services, as well as technical support and other services
Bandai Namco Sevens Inc.	Development and sales of pachinko and pachislot machines; development, manufacturing, and sales of visual substrates; planning and operation of other new businesses
Bandai Namco Research Inc.	Development of technologies, demonstration and verification in new business fields for use in Groupwide services for the Bandai Namco Group
Bandai Namco Nexus Inc.	Development, operation, and analysis of online games, online distribution platforms, and services for IP fans, etc.
Bandai Namco Aces Inc.	Planning, development, and operation of home video games, network content, PC content, etc.
Bandai Namco Shimane Susanoo Magic Inc.	Planning and operation of professional basketball team Shimane Susanoo Magic
Bandai Namco Europe S.A.S.	Regional management company in Continental Europe, providing support for the implementation of strategies by operating companies, etc.; planning, development, and sales of home video games, and planning, development, and distribution of network content as an operating holding company
Bandai Namco Entertainment America Inc.	Planning, development, and sales of home video games; planning, development, and distribution of network content
Reflector Entertainment Ltd.	Planning and production of entertainment content, such as network content, home video games, etc.
Bandai Namco Mobile S.L.	Development and marketing of network content
Bandai Namco Studios Singapore Pte. Ltd.	Planning and development of home video games, amusement machines, etc.
Bandai Namco Entertainment (Shanghai) Co., Ltd.	Planning, operation, and production of network content; planning, development, production, and sales of toys, capsule toys, cards, candy toys, plastic models, prizes, etc.; production and sales of toys, etc., for China
Limbic Entertainment GmbH	Planning and production of entertainment content, such as network content, home video games, etc.

Toys and Hobby Business

BANDAI CO., LTD.	Planning, development, manufacturing, and marketing of toys, capsule toys, cards, candy toys, confectionery and foods, apparel, sundries, and other products
BANDAI SPIRITS CO., LTD.	Planning, development, manufacturing, and sales of plastic models, toys for the mature fan base, character lottery products, special amusement prizes, etc.
MegaHouse Corporation	Planning, development, production, and sales of toys, candy toys, figures, general games, and other products
CCP Co., Ltd.	Planning, development, production, and sales of consumer electronics, and sundries
SUN-STAR STATIONERY CO., LTD.	Planning, development, production, and sales of character stationery, fancy stationery, schoolchildren's stationery, creative stationery, premium stationery, and other sundries
HEART CORPORATION	Planning, production, processing, and wholesale of seasonal special event candy and candy toys
PLEX CO., LTD.	Character design, planning, and design of BANDAI products, planning and sales of in-house products
Bandai Namco Craft Inc.	Planning, development, and manufacturing of toys, plastic models, medical equipment, pachinko and pachislot machines, electronic-related equipment, etc.; contract operations for various types of inspecting and testing (ISO 17025-accredited testing organization)
Bandai Namco Prize Marketing Inc.	Sales of special amusement prizes, etc.
Bandai Namco Nui Inc.	Planning, development, production, and sales of stuffed toys, textile products, fabric toys, sundries, and other products
ARTPRESTO CO., LTD.	Planning, design, and printing (packages, catalogs, posters, cards); website production, event planning, and administration
Bandai Namco Toys & Collectibles America Inc.	Sales, promotions, event sales, e-commerce, etc., in the Americas for toys, collectible figures, and other products for the mature fan base
BANDAI S.A.S.	Sales of toy-related products in France
BANDAI UK LTD.	Sales of toy-related products in the U.K.
BANDAI ESPAÑA S.A.	Sales of toy-related products in Spain
Bandai Namco Entertainment (Shanghai) Co., Ltd.	Planning, operation, and production of network content; planning, development, production, and sales of toys, capsule toys, cards, candy toys, plastic models, prizes, etc.; production and sales of toys, etc., for China
Bandai Namco Asia Co., Ltd.	Procurement, sales, importing, and exporting of toys, etc., in Asia (excluding Japan)
BANDAI (SHENZHEN) CO., LTD.	Production guidance and development support for cooperating plants; provision of services related to quality control, etc.; provision of quality testing, plant auditing, and other services
Bandai Namco Korea Co., Ltd.	Planning and sales of toy-related products in South Korea
Bandai Namco (Thailand) Co., Ltd.	Production of <i>Super Sentai</i> series robot toys as well as molds
Bandai Namco Philippines Inc.	Manufacturing of toys (principally capsule toys, figures, and lower-priced toys), manufacturing of capsule toy vending machines
Bandai Namco Trading (HK) Ltd.	Procurement management for special amusement prizes, character lottery products for convenience stores, etc., and products sold overseas
BANDAI CORPORACION MEXICO, S.A. de C.V.	Sales of toy-related products in Mexico

IP Production Unit

Bandai Namco Filmworks Inc.	Planning, production, and sales of animations and other visual content and of services related to visual products; management and administration of copyrights and other rights
Bandai Namco Music Live Inc.	Planning, production, management, and administration of visual and music content; artist discovery and development; production of live events
Bandai Namco Pictures Inc.	Planning and production of animations and other visual content; management and administration of copyrights and other rights
SUNRISE BEYOND INC.	Planning and production of animation products
Actas Inc.	Planning and production of animation products
SOTSU CO., LTD.	Planning and production of TV animation programs; rights business; production and agency operations in sports entertainment
Evolving GUNDAM Inc.	Operation of entertainment areas; management of restaurants; sales of toys, models, daily use sundries, and other products; etc.
SUNRISE (SHANGHAI) CO., LTD.	Planning and production of visual content; management and administration of copyrights and other rights, etc.

Amusement Unit

Bandai Namco Amusement Inc.	Planning, development, operation, and sales of facilities, machines, and services related to real entertainment
PLEASURECAST CO., LTD.	Planning and operation of entertainment facilities
HANAYASHIKI CO., LTD.	Planning, operation, etc., of ASAKUSA HANAYASHIKI amusement park and ASAKUSA KAGEKIJYO multipurpose hall
Bandai Namco Technica Inc.	After-sales service operations related to amusement machines; stocking and sales of pre-owned amusement machines and products from other companies; development of original products
Bandai Namco Amusement Lab Inc.	Operations related to the research, planning, and development of content for real entertainment facilities and areas related to amusement machines
Bandai Namco Amusement America Inc.	Planning and production of amusement machines; planning, production, and sales of indoor-use recreation products; exports to Europe and Japan of amusement machines manufactured by other companies; repair of amusement machines
Bandai Namco Amusement Europe Ltd.	Planning and operation of entertainment facilities, sales of amusement machines
NAMCO ENTERPRISES ASIA LTD.	Planning and operation of entertainment facilities
Bandai Namco Amusement (Shanghai) Co., Ltd.	Planning and operation of entertainment facilities

Affiliated Business Companies

BANDAI LOGIPAL INC.	International distribution, customs brokerage, amusement-related business, product inspection, product manufacturing support, etc.
LOGIPAL EXPRESS INC.	Truck freight, industrial waste collection and transportation, logistics management, warehouse operations, vehicle maintenance, etc.
Bandai Namco Business Arc Inc.	Work related to the Bandai Namco Group's general affairs, personnel, finance and accounting, and information systems
J-Broad Co., LTD.	Consulting related to new graduate and mid-career hiring plans; planning, production, and publication of employment public relations media; acquisition, analysis, and provision of employment-related information; sales of employment aptitude tests for companies; planning related to public relations and education for colleges, junior colleges, etc.; implementation of practice employment tests for students; employment personnel referral business (permit No.: 13-コ-010991)
Bandai Namco Will Inc.	Special subsidiary for the promotion of employment of people with disabilities