



BANDAI NAMCO

Fun for All into the Future

Bandai Namco Group

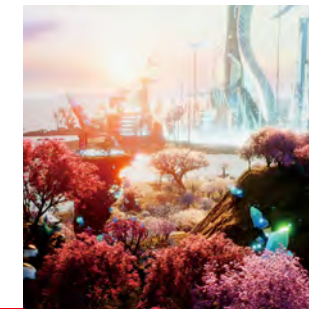
INTEGRATED REPORT 2022



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.



Note: The images are from Bandai Namco's Purpose Movie, which depicts a world filled with dreams that reflect Bandai Namco's strengths, including a life-size *Gundam* making a strong impression as it walks through the community. Bandai Namco's Purpose Movie can be seen on the Company's website at <https://www.bandainamco.co.jp/en/about/purpose.html>

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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 2022

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 2022 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 2022.
3. This is an English translation of the Japanese original *Bandai Namco Group Integrated Report 2022*. 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.

BANDAI NAMCO
Fun for All into the Future

Formulating the Purpose and Introducing a New Corporate Logo

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

In April 2022, we established the Purpose, which is the ultimate definition of the Group. The Purpose expresses the meaning of our existence for society, the reason why we conduct business operations and corporate activities, and the significance of our working at Bandai Namco. In formulating the Purpose, we held repeated deliberations based on opinions that were identified through questionnaires distributed to all employees and discussions with employees from around the world, etc.

In the Purpose, we place a special importance on the key phrase "connecting and working together to create things." Through our history of pursuing the realization of smiles and dreams for fans and staying close to those fans, the concept of aiming for the same future has become an established part of Bandai Namco's corporate culture. We redefined that concept in the Purpose. As we cooperate with people around the world, the result of "connecting and working together to create things" will be "Fun for All into the Future," which is linked to providing fun and inspiration to people around the world and striving to create smiles and happiness into the future.

We also changed the Group's logo. Our previous logo was created at the time of the management integration of BANDAI and NAMCO in 2005, and accordingly it expressed the concept of "fusion." It has been 17 years since the integration, and we changed the logo to incorporate the idea that Bandai Namco is moving on to the next stage. The new logo, which has a speech bubble motif, expresses the potential of the brand to connect with people around the world through dreams, fun and inspiration and inspire them with amazing ideas. The new logo will be displayed on all of the Group's products and services. Going forward, we will strengthen our branding initiatives in order to make the logo known around the world as the emblem of Bandai Namco, which aims for global growth.

In accordance with the Purpose, the Bandai Namco Group will leverage the individual characteristics of each business while increasing the sense of unity and comprehensive strength under the ALL BANDAI NAMCO concept.

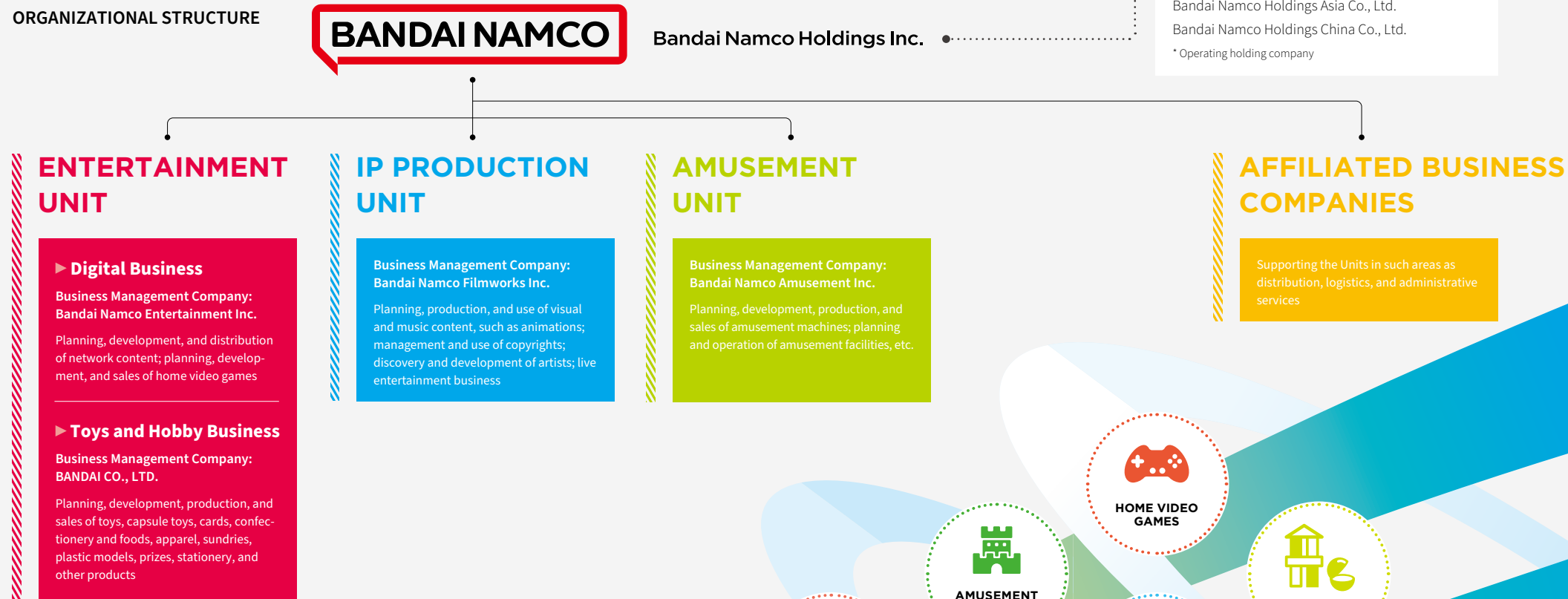
Masaru Kawaguchi

President and Representative Director
Group CEO
Bandai Namco Holdings Inc.

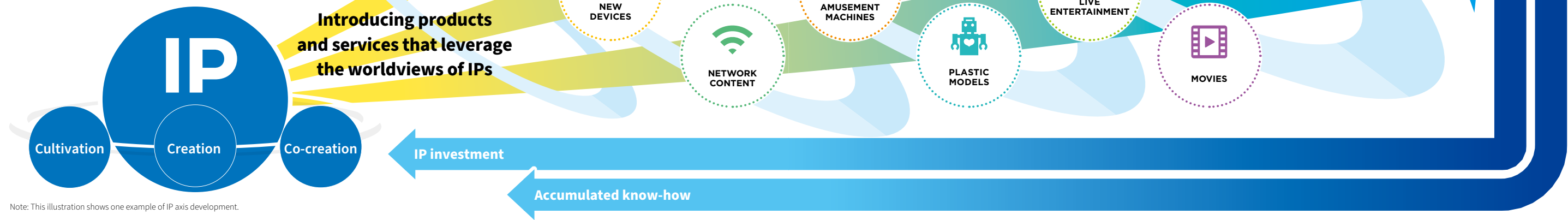
ORGANIZATIONAL STRUCTURE AND IP AXIS STRATEGY

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



IP AXIS STRATEGY



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

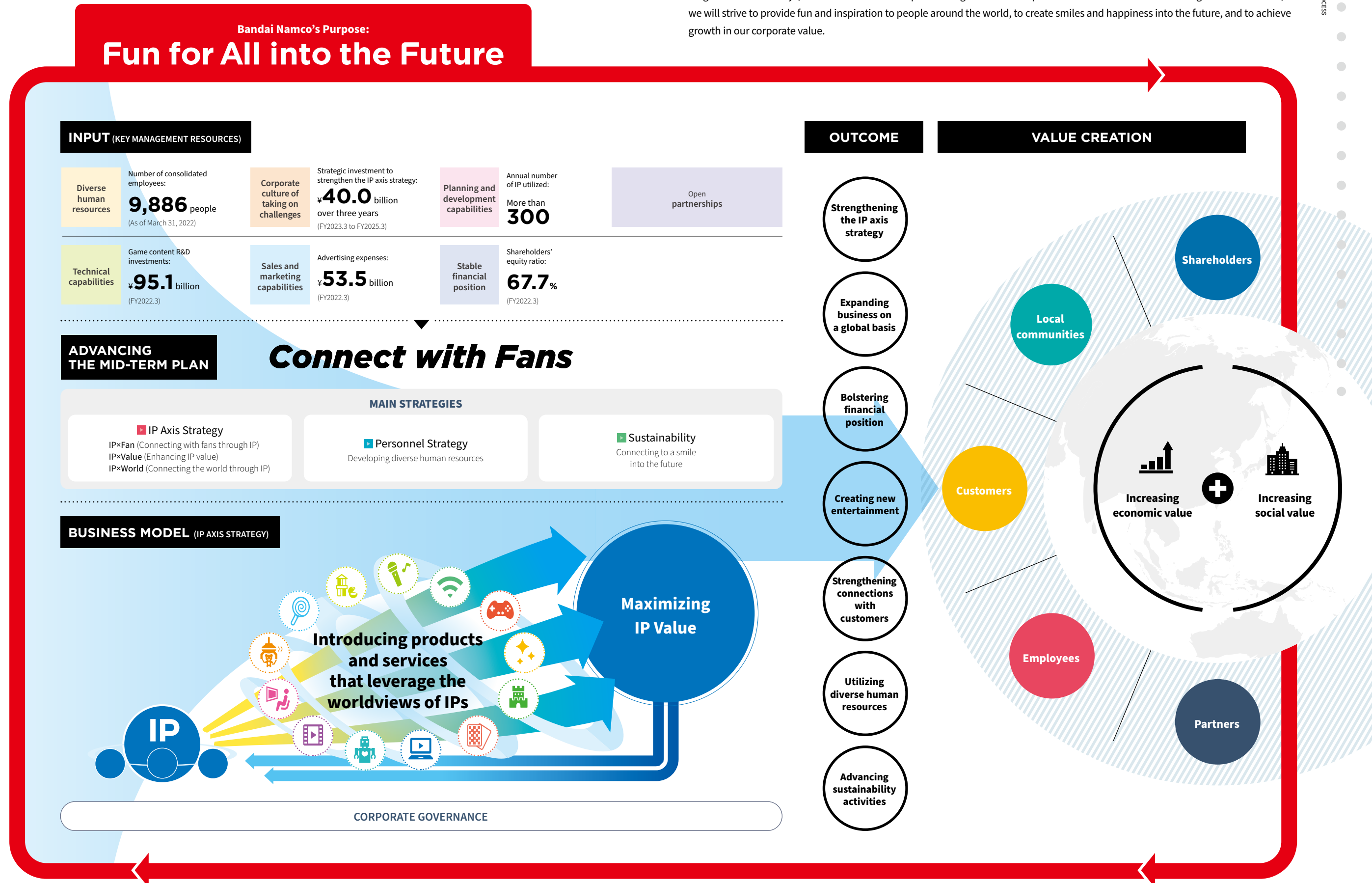
THE BANDAI NAMCO GROUP— OUR VALUE CREATION PROCESS

Working Together with Fans Around the World to Create the Future

In accordance with the Purpose, the Bandai Namco Group is taking steps to address the issues that we face. We are combining distinctive management resources to implement the global rollout of the IP axis strategy, which is the Group's greatest strength and business model, and to provide products and services that leverage the appeal of IP. Moreover, through those products and services, we are striving to fulfill our responsibility to contribute to a sustainable society and aiming to realize sustained growth over the medium to long term. In these ways, the Bandai Namco Group is working to meet the expectations of its stakeholders. Through these initiatives, we will strive to provide fun and inspiration to people around the world, to create smiles and happiness into the future, and to achieve growth in our corporate value.

VALUE CREATION PROCESS

- THE BANDAI NAMCO GROUP'S OPERATING ENVIRONMENT AND ISSUES FACING THE GROUP**
- Changes in customer lifestyles and preferences
 - Intensifying competition in global markets
 - Changes in technology, such as network adoption
 - Platform diversification
 - Dependence on specific IP, businesses, or regions
 - Securing human resources
 - Addressing climate change and environmental change
 - Threats, such as disasters, epidemics, and terrorism



MAJOR IP IN GROUP PRODUCTS AND SERVICES

Annual Number of IP Utilized

More than **300**

The Bandai Namco Group utilizes more than 300 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 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 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 A

This inhouse IP was created as a portable nurturing toy in 1996 and today is supported by two generations—parents and their children. We are implementing a wide range of rollouts, such as *Tamagotchi* products based on collaboration with the IP of other companies.



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 inhouse IPs that is representative of Bandai Namco.



PRETTY CURE! Series

E A

The *PRETTY CURE!* series has been popular for more than 15 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 packaged products, 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

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 Groupwide Risks and Opportunities

	Risks and Opportunities	Measures
Items accompanying the spread of COVID-19	Risks	<ul style="list-style-type: none"> • Managing hygiene thoroughly • Implementing initiatives in accordance with the requests of national and local governments in each country/region • In accordance with the business continuity plan (BCP) and business continuity management (BCM), collecting information, discussing policies, and promoting awareness in the Group through periodic meetings of the Crisis Management Committee, which is dedicated to preventing the spread of COVID-19 • Strengthening the use of digital technologies products, services, and marketing
	Opportunities	<ul style="list-style-type: none"> • Implementing social support, such as through the contribution of support funds and business-based measures • Introducing new working styles, enhancing environments and systems
Items accompanying the advancement of the IP axis strategy	Risks	<ul style="list-style-type: none"> • Spreading Bandai Namco's Purpose, enhancing brand value • Advancing main strategies in the Mid-term Plan • Implementing initiatives for new business models, businesses, and platforms • Strengthening collaboration among Units and 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 • 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 • Expanding global rollouts, implementing organizational restructuring
	Opportunities	<ul style="list-style-type: none"> • Promoting collaboration among regions and businesses • Expanding potential for the creation of new markets, businesses, and IP
Changes in the natural environment, such as climate change	Risks	<ul style="list-style-type: none"> • 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
	Opportunities	<ul style="list-style-type: none"> • Higher raw materials costs as well as production and procurement costs due to carbon regulations and plastic use regulations • Higher costs due to the introduction of new technologies, investment in R&D, or capital investment • Property damage, supply chain interruption, or resource depletion due to natural disasters • Lower electricity costs due to energy-saving • Lower costs due to the introduction of efficient production/transportation processes • Creation of new markets due to changes in customer preferences
Items accompanying other external factors	Risks	<ul style="list-style-type: none"> • Promoting activities and implementing continued reevaluations based on the BCP and BCM • Strengthening risk management system • Strengthening system for the collection and sharing of the latest information about each business and region • Strengthening cybersecurity, such as collecting the latest information and implementing regular verification • Advancing initiatives for harmonious coexistence with communities, with the objective of forging connections with fans and local communities

Major Risks and Opportunities in Each Business

	Risks and Opportunities	Measures
All businesses	Opportunities	<ul style="list-style-type: none"> • Using online measures to strengthen initiatives to enhance IP recognition as well as global rollouts • Aggressively using new technologies • Strengthening digital initiatives, such as online events and e-commerce
Entertainment Unit ▶ Digital Business	Risks	<ul style="list-style-type: none"> • Aggressively addressing new technologies and new platforms • Strengthening technical research • Strengthening development system with focus on quality and increasing efficiency • Continuing communication with fans after title releases
	Opportunities	<ul style="list-style-type: none"> • Spreading/expanding network environment • Technological progress • Expansion of customer touchpoints through digitalization
Entertainment Unit ▶ Toys and Hobby Business	Risks	<ul style="list-style-type: none"> • Expanding target customer groups and regions • Reforming 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 Code of Conduct (COC) audits, etc.)
	Opportunities	<ul style="list-style-type: none"> • Platform diversification • Technological progress • Lengthening development periods and increasing investment amounts
IP Production Unit	Risks	<ul style="list-style-type: none"> • Consolidating studio and production functions • Collecting know-how regarding visual products, music products, and live events • Enhancing production environment, strengthening human resources development • Investing to enhance production technologies • Strengthening collaboration with all partners inside and outside the Company
	Opportunities	<ul style="list-style-type: none"> • Intensification of competition in IP creation • Developing and securing human resources in production
Amusement Unit	Risks	<ul style="list-style-type: none"> • Strengthening collaboration with Group resources, such as IP, products, and services • Strengthening stable business foundation
	Opportunities	<ul style="list-style-type: none"> • Diversification of entertainment utilizing real venues

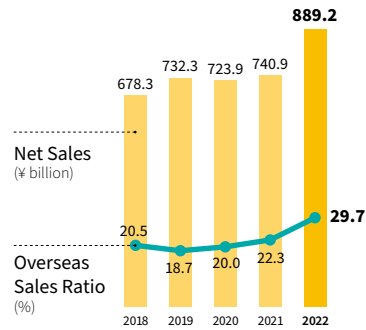
THE BANDAI NAMCO GROUP— 1 YEAR OF RESULTS

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

Net Sales

¥889.2 billion

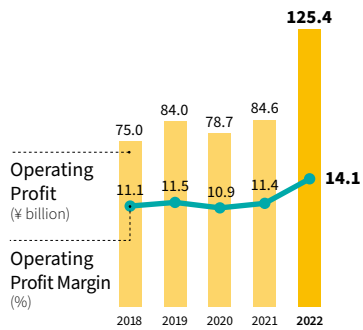
YoY +20.0%



Operating Profit

¥125.4 billion

YoY +48.2%



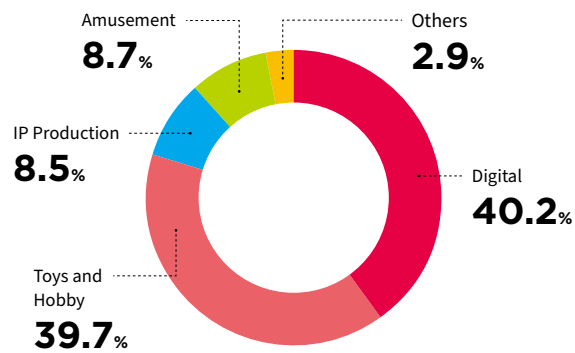
Overview of Results

In FY2022.3, results increased from the previous fiscal year, when each business was significantly influenced by the spread of COVID-19. In each business, we rapidly advanced various measures aligned with changes in customer lifestyles and preferences. In addition, the Group's wide-ranging business portfolio generated results.

In the Digital Business, in addition to the favorable results of new home video game titles, repeat sales of existing titles were strong throughout the year. In the Toys and Hobby Business, favorable results were registered by products for the mature fan base, core IP products, toy-related items, and others. The Visual and Music Business and the Amusement Business* achieved recoveries in their results due not only to the market recovery but also to their front-line initiatives to address changes in the business environment. In the Creation Business*, we worked to produce new visual products, and licensing revenues increased.

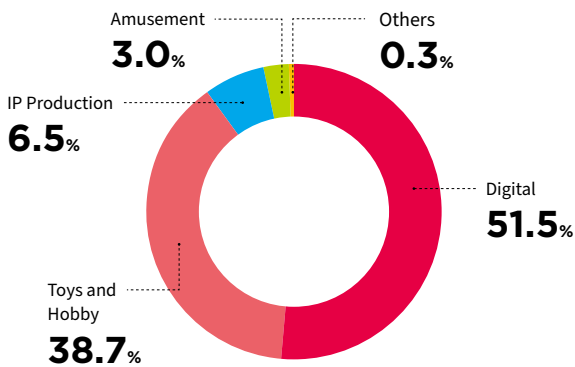
* From FY2023.3, the Visual and Music Business and the Creation Business have been combined to establish the IP Production Business.

Segment Sales Ratio



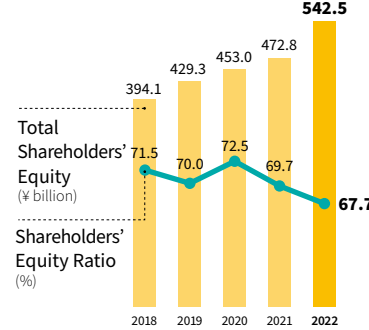
Note: Percentage figures are calculated based on sales before elimination of inter-segment transactions. Calculated on the basis of FY2023.3 segment classifications

Segment Profit Ratio



Shareholders' Equity Ratio

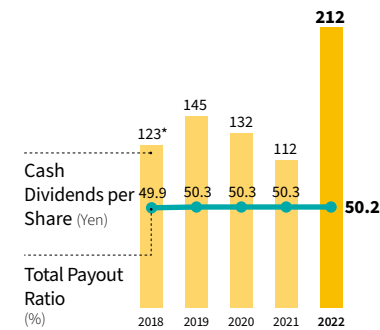
67.7%



Cash Dividends per Share

¥212

YoY ¥+100

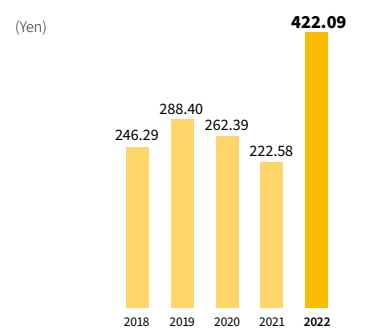


* FY2018.3 includes a special dividend of ¥25.

Basic Earnings per Share

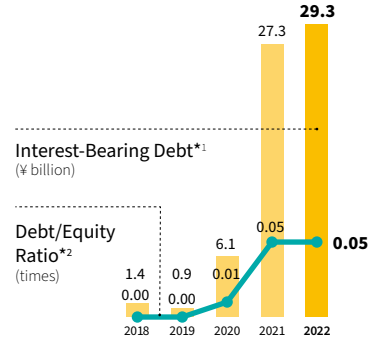
¥422.09

YoY ¥+199.51



Debt/Equity Ratio*2

0.05 times



*1 From FY2020.3, certain overseas consolidated subsidiaries applied IFRS 16 "Leases." Increase in long-term borrowings in FY2021.

*2 Debt/Equity ratio = Interest-bearing debt / Total shareholders' equity

ESG

(For detailed data, please refer to FACT BOOK 2022, a separate publication.)

Number of Female Managers*

170 people

Ratio of Female Managers to Total Managers*

21.3%

Number of Independent Directors

5/14

Number of Consolidated Employees

9,886 people

Industrial Waste

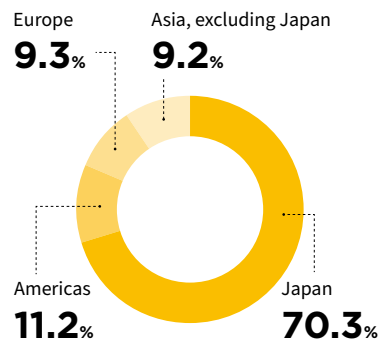
2,712 t

CO₂ Emissions

52,016 t-CO₂

* Figures are totals for the five business management companies in FY2022.3.

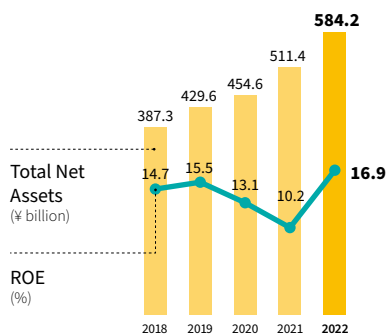
Contributions to Net Sales by Geographic Region



Note: Percentage figures are calculated based on external sales. Figures are estimates based on management accounting.

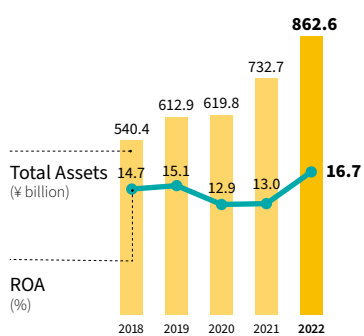
Return on Equity (ROE)

16.9%



Return on Assets (ROA)

16.7%



Sales of IP* Products and Services (Group Total)

KAMEN RIDER series

2021: ¥28.9 billion → 2022: ¥29.5 billion

Mobile Suit Gundam series

2021: ¥95.0 billion → 2022: ¥101.7 billion

DRAGON BALL series

2021: ¥127.4 billion → 2022: ¥127.6 billion

Ultraman series

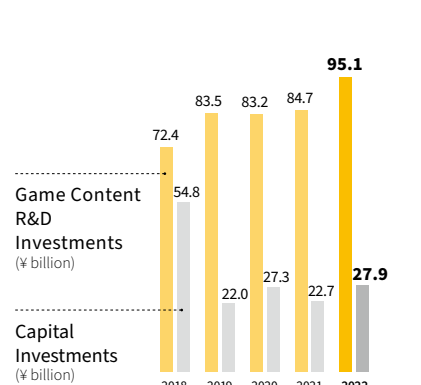
2021: ¥8.6 billion → 2022: ¥16.8 billion

ONE PIECE

2021: ¥38.0 billion → 2022: ¥44.1 billion

* IP: Characters and other intellectual property

Game Content R&D Investments and Capital Investments



Fun for All in to the Future



Masaru Kawaguchi

President and Representative Director Group CEO

Yuji Asako

Director

Nobuhiko Momoi

Director

Yasuo Miyakawa

Director (Part-time)
President and Representative Director of Bandai Namco Entertainment Inc.

Kazuhiro Takenaka

Director (Part-time)
President and Representative Director of BANDAI CO., LTD.

Makoto Asanuma

Director (Part-time)
President and Representative Director of Bandai Namco Filmworks Inc.

Hiroshi Kawasaki

Director (Part-time)
President and Representative Director of Bandai Namco Amusement Inc.

Shuji Ohtsu

Director (Part-time)
President and Representative Director of Bandai Namco Business Arc Inc.

Koichi Kawana

Director (Part-time, Outside)

Toshio Shimada

Director (Part-time, Outside)

Masataka Nagaike

Director Audit & Supervisory Committee Member

Toru Shinoda

Director Audit & Supervisory Committee Member (Outside)

Satoko Kuwabara

Director Audit & Supervisory Committee Member (Part-time, Outside)

Takayuki Komiya

Director Audit & Supervisory Committee Member (Part-time, Outside)

Under the ALL BANDAI NAMCO concept, we will work to foster wide recognition of the meaning of Bandai Namco's existence for society.

Masaru Kawaguchi

President and Representative Director
Group CEO
Bandai Namco Holdings Inc.

PRESIDENT'S MESSAGE

Evaluation of results New record highs for both sales and profits

In FY2022.3, the market recovered and our frontline employees responded rapidly to the changes in the environment. As a result of their hard work, we achieved record-high net sales and operating profit, with net sales of ¥889.2 billion and operating profit of ¥125.4 billion. Looking at profitability, the operating profit margin increased to 14.1%, and ROE rose to 16.9%. These are levels higher than what we recorded prior to the spread of COVID-19. To respond to the dramatic changes in markets and customer lifestyles, we delayed the start of the Mid-term Plan, which had been scheduled for April 2021, by one year. We positioned FY2022.3 as a period for thoroughly reinforcing our foundation. Over that period, we repeatedly discussed and considered a variety of issues, and I think that we were able to formulate a substantial Mid-term Plan with a focus 10 years into the future. Another major factor contributing to our favorable results in FY2022.3 was aggressive action on the front lines, with an emphasis on where we want to be in the mid-term.

By business, the Entertainment Unit's Digital Business and Toys and Hobby Business worked hard together, and both

achieved record-high results. In the Digital Business, in home video games sales of new titles and repeat sales of existing titles were strong throughout the year. In the fourth quarter, *ELDEN RING* became a global hit. In the Toys and Hobby Business, results were led by favorable performances by products for the mature fan base, core IP products, and toy-related items. The Visual and Music Business and the Amusement Business, which were significantly affected by the spread of COVID-19 in FY2021.3, achieved recoveries in their results. The Amusement Business realized a return to profitability due to increased efficiency and structural reform initiatives. In the Creation Business, we worked to produce new visual products, including products in the *Mobile Suit Gundam* series, and licensing revenues increased.

For the Group as a whole, in the past year we made solid progress with results and with various foundation strengthening measures as we prepared for the start of the new Mid-term Plan.

Starting the Mid-term Plan with a focus on realizing the Purpose

In April 2022, we started the Mid-term Plan, with a focus on realizing the Purpose. The key phrase is "connecting and working together to create things." Our Mid-term Vision is "Connect with Fans," and on that basis we will aim to forge deeper connections with existing fans and broader connections with new fans. From a range of perspectives, we will enhance the quality of connections and strive to foster more multifaceted connections, such as connections between one fan and multiple IPs, and connections with communities of fans. In other words, we will focus on the quality of connections.

As numerical targets for the fiscal year ending March 31, 2025, which will be the final year of the Mid-term Plan, the Company is aiming for net sales of ¥1,100 billion, operating profit of ¥125 billion, and ROE of 12% or more. For FY2023.3, the first year of the plan, we are aiming for net sales of ¥880 billion and operating profit of ¥100 billion. Operating profit of ¥100 billion has been a major target for us since the management integration of BANDAI CO., LTD., and NAMCO LIMITED in 2005. There are uncertain elements, such as market changes and the presence or absence of hit products. However, going forward we will continue to strongly focus on the achievement of operating profit of ¥100 billion.

Next, I will provide an overview of our main strategies.

IP axis strategy: IP×Fan (Connecting with fans through IP)

As a new framework for connecting with fans, we will roll out the IP Metaverse, a virtual space that is close to fans. Through the metaverse, we will provide a wide range of entertainment, such as games, toys, anime, e-sports, and events. In addition, we are also planning initiatives fusing digital and physical elements

and leveraging Bandai Namco's distinctive strengths. We will also advance the creation of open venues for connections among fans and partners.

As the first initiative, we are currently focusing on the creation of the *Gundam* Metaverse. *Gundam* is an in-house IP, and therefore it is an IP that we can control. It is also an IP that extends to all businesses and regions. First, we will work to make the *Gundam* Metaverse a solid success, and then, based on those results, we will consider creating metaverses for other IP in the future.

In the past, fan data has been dispersed in each business category. Going forward, we will advance the Data Universe concept, under which this data will be collected under shared Group accounts (Bandai Namco IDs). Through coordination of the front-yard metaverse and the back-yard Data Universe, we will be able to implement a variety of measures that will contribute to enhancing fan satisfaction. In these ways, we will promote the IP Metaverse concept.

IP axis strategy: IP×Value (Enhancing IP value)

In the past, each individual business company leveraged its strengths, leading to growth for the Group. Under the current Mid-term Plan, while further enhancing those individual company strengths, we will further deepen Group collaboration and work together under the ALL BANDAI NAMCO concept. In this way, we will aim to evolve into a globally competitive group.

First, we have redefined the positioning of the IP axis strategy. Rather than simply "growing individual businesses through the use of IP," we will aim to "maximize the value of IP itself" from a longer-term perspective. Going forward, this IP value maximization might result in issues that have a higher priority than business maximization.

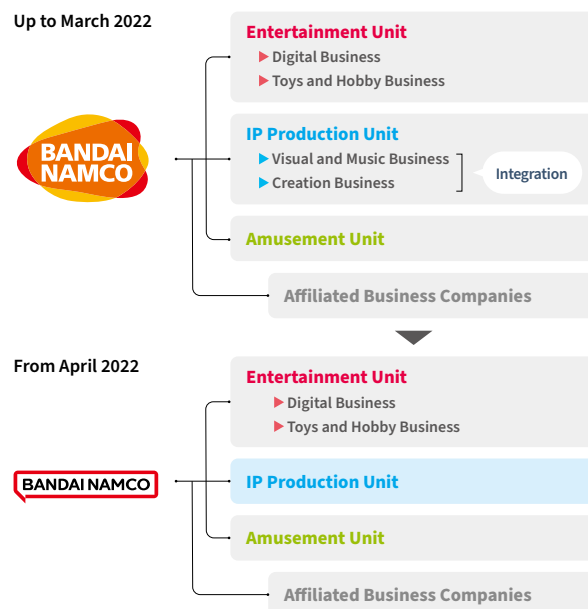
In regard to the content outlet strategy, we will aggressively advance collaboration with external partners as we target IP value maximization. We will not close ourselves off within the Group. Rather, by opening up the outside perspective in business, we will increase IP value and pursue a more aggressive growth strategy.



PRESIDENT'S MESSAGE

The Group, which has a wide range of business fields, has a major strength in its ability to connect with fans in digital and physical business fields. To fully leverage this strength, we will implement strategic investment and establish an IP platform perspective that leverages our distinctive strengths. As one part of those measures, in April 2022 we integrated the IP Production Unit's Visual and Music Business and Creation Business, combining them into the IP Production Business. The consolidation of the know-how and human resources of both businesses will further strengthen IP creation, which is the core of the IP axis strategy.

REORGANIZATION OF THE IP PRODUCTION UNIT



IP axis strategy: IP×World (Connecting the world through IP)

In overseas business development, we have implemented organizational restructuring and base consolidation initiatives. As a result, in each key area our operations are now in a single location. Based on this system, under the current Mid-term Plan we will further accelerate collaboration among businesses in accordance with the ALL BANDAI NAMCO concept.

One important, ongoing theme will be taking steps to strengthen business development initiatives that position North America and China as key markets. In FY2022.3, we recorded strong sales growth in both North America and China. In North America, we combined the company handling the Toys and Hobby Business for the mature fan base and the company handling the Toys and Hobby Business for mass market retailers. We also consolidated these businesses and the Digital Business into one office. In China, we implemented a company combination for the Digital Business and the Toys and Hobby Business. We have also taken this step in Europe, moving the Digital Business and the Toys and Hobby Business into a single office. Going forward, with these systems as the foundation in each

region, we will accelerate initiatives targeting growth, such as expanding IP and categories, further strengthening collaboration among businesses, and rolling out products based on local IP.

Through these initiatives, we will strive to increase our overseas sales ratio to 35% in FY2025.3 and to 50% as rapidly as possible.

Personnel strategy Developing diverse human resources

In advancing the new Mid-term Plan, we will need diverse human resources, such as marketing personnel, creators, and engineers who will advance the IP axis strategy, and personnel in administrative units who will advance management strategies and business strategies. We will not simply nurture internal employees; we will also step up mid-career hiring and external collaboration initiatives. In this way, we will realize a balanced, optimal workforce.

The Bandai Namco Group uses the phrase "same spirit, diverse talents." We have inherited a culture that welcomes different personalities, talents, and values; encourages people to take on individual challenges; and tolerates forward-looking failures. I myself failed multiple times in my career. In our industry, if we fear differences among people, or failure, then we will not be able to create anything.

This approach is also applicable to the promotion of diversity and inclusion. For example, the ratio of female managers is more than 20% at major business companies in the Group. I think that the ideal circumstances would involve a natural increase in the number of female managers as the Company promotes work environments that support women's careers. And, as a matter of fact, that is what is happening now. In addition, accompanying the Group's overseas development, we are also actively promoting local employees. Promoting people with diverse values will be indispensable for the promotion of our businesses. Accordingly, we will accelerate the creation of environments in which diverse people can have active careers, and we will promote and nurture appropriate personnel. In these ways, we will accelerate the growth of the Group's businesses.

Sustainability Connecting to a smile into the future

Sustainability is an important management issue, and in the current Mid-term Plan we listed sustainability as our main strategy for the first time. We will advance a detailed action plan based on the Sustainability Policy and five material issues aligned with the policy, which were established in April 2021.

In addition, in April 2022 we reorganized the Group CSR Committee as the Group Sustainability Committee, and this committee, which used to be under the president, is now directly under the Board of Directors. Furthermore, looking at directors' remuneration, for variable remuneration we added an evaluation of sustainability, in addition to the degree of completion of numerical targets. Going forward, we will hold

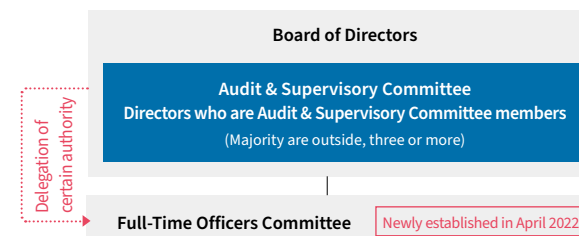
repeated discussions from a wide range of viewpoints in variety of venues, including top management meetings, and advance initiatives that leverage Bandai Namco's distinctive strengths.

Further strengthening governance

In June 2022, we transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. We took this step in order to strengthen governance and further enhance management transparency. In addition, in order to further increase corporate value through speedy decision-making and business execution, we delegated certain authorities related to business execution to the Full-Time Officers Committee. Unlike the previous Audit & Supervisory Board members, under the new organizational structure the directors who are Audit & Supervisory Committee members have voting rights at meetings of the Board of Directors. In addition, we increased the number of outside directors to five out of the total of 14, and the composition of the Board of Directors now reflects an enhanced focus on an external viewpoint.

Our outside directors, who have high levels of expertise and insight, include corporate managers with extensive knowledge and experience, an attorney, and individuals with such qualifications as certified public accountant and certified public tax accountant. In daily management, we have to consider a wide range of factors and risks. These are checked carefully from an outside perspective, and as a result I believe that this is linked to enhanced objectivity and transparency in management decision-making.

TRANSITION TO A COMPANY WITH AN AUDIT & SUPERVISORY COMMITTEE IN ORDER TO STRENGTHEN GOVERNANCE



Accelerating reform under strong leadership

It has been more than one year since I became president, but the time has gone by very quickly. I fully realize how my responsibilities are different from when I was vice president or when I was a business company president. I have tried to incorporate into the Mid-term Plan the awareness of issues that I have developed since taking this position. On that basis, I will now strive to achieve tangible results over three years.



The Group has grown through the cumulative effects of the strategies of individual companies. However, in advancing the current Mid-term Plan, for the metaverse, the Data Universe, global strategy, etc., we have encountered problems and issues that need to be addressed but cannot be handled at the individual level. We will delegate authority to the front lines, but on the other hand these difficult issues require strong leadership to make final decisions and move things forward.

With consideration for these circumstances, in April 2022 the position of Group CEO was added to my responsibilities, clarifying my role in leading cooperation among the business companies. Going forward, Bandai Namco Holdings will need to build a solid management foundation as a pure holding company, and to fulfill its responsibility to play a central leadership role in advancing the Group's overall strategies. The current Mid-term Plan will be the litmus test for those initiatives. I strongly believe that our results will depend on how I do my job, and the title of Group CEO incorporates my determination in this regard.

The Group achieved record-high results in FY2022.3. Nonetheless, we will not be satisfied with this performance. We will strive to ensure that we earn a widely recognized reputation as an entertainment company that always aggressively takes on challenges. We will aim to continually address the needs of stakeholders, including IP fans and partners around the world; forge deep, broad, multifaceted connections; and realize further strong growth on the global stage. I would like to ask for the continued support of our stakeholders as we take on those challenges.

September 2022

Masaru Kawano

PRESIDENT'S MESSAGE

From the perspectives of both finance and security, we will aim to enhance corporate value and to create environments that enable employees to take on challenges.

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

Achieving Operating Profit of ¥100 Billion

In FY2022.3, Bandai Namco achieved record-high results, led by the Digital Business and the Toys and Hobby Business. In the Digital Business, home video games registered favorable results with new titles, such as *ELDEN RING*, and with repeat sales of existing titles. In the Toys and Hobby Business, products for the mature fan base recorded a strong performance. In addition, despite the adverse influence of COVID-19, we saw a recovery in the live event business and the amusement facility business, which had been significantly affected by COVID-19 in FY2021.3. For the Group as a whole, our rapid response to change and our broad business portfolio proved to be effective.

At the time of the management integration in 2005, the Group announced a medium- to long-term target of operating profit of ¥100 billion. We have encountered some twists and turns up to this point, but we were able to reach this target in the end. We consider this achievement to be a major step forward. In the future, if we can maintain this level of performance, I think that we will see a variety of favorable results, such as the enhancement of motivation among employees and the promotion of collaboration with external partners.

Investment Strategy in the Current Mid-term Plan

The Group operates a wide range of businesses, and the business companies have handled the majority of investment activities (ordinary investment). The reason is that the earnings structure, investment scale, and investment recovery cycle differ by business field, and centralized management is not appropriate. On the other hand, strategic investment to accelerate evolution in the IP axis strategy, which is of vital importance for the Group,

extends over a longer term of five to 10 years and has effects that extend throughout the Group. Accordingly, this type of investment is led by the holding company.

In the current Mid-term Plan, this strategic investment was increased to a cumulative three-year total of ¥40 billion. This includes ¥25 billion to maximize IP value, such as new IP creation, IP projects, and open innovation, and ¥15 billion for IP Metaverse-related initiatives. The IP Metaverse will be a structure for rolling out various metaverse projects on a foundation of the Data Universe concept, under which customer data is collected and utilized. Data Universe development funding accounts for more than half of strategic investment, and development investment (ordinary investment) for various metaverse-related services will be led by each business.

Balance Between Financial Soundness and Capital Efficiency

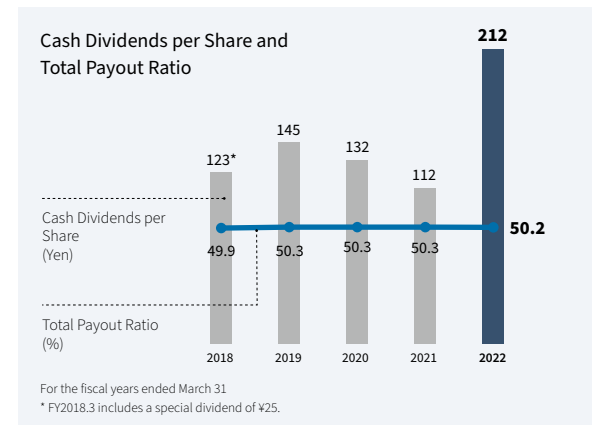
People are the Group's greatest management resource, and maintaining the workforce is an important management issue. We would like to secure one year of labor costs (approximately ¥80 billion). In addition, for stable operational administration, including our cooperating partners, one to one-and-a-half months of working capital (approximately ¥100 billion) will be necessary. Furthermore, an important principle of our financial strategy is to always have cash on hand for flexible implementation of necessary investment, such as funds for the strategic investment in the Mid-term Plan.

On the other hand, as a measure reflecting awareness of the cost of capital, we have used ROE in the Mid-term Plan, and in the current Mid-term Plan we increased the target to 12% or more. In regard to financial soundness and capital efficiency, we do not believe that there is a need to make a choice between one or the other. Rather, we will work to achieve the optimal balance between the two. In

regard to ROE, rather than aiming to decrease the denominator, we will aim to expand profits through business growth. Our approach to the cost of capital is also reflected in our shareholder return policy, which is mentioned in a subsequent section of the report.

In regard to cross-shareholdings, every period the Board of Directors carefully considers the appropriateness and effects of these holdings. At the end of FY2021.3, our cross-shareholdings were 15.8% of consolidated net assets, down from 19.8% at the end of FY2021.3. On the other hand, on a strategic, limited basis, we continue to hold shares 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 FY2022.3 at ¥212 per share (base dividend of ¥48, performance-based dividend of ¥164), for a total payout ratio of 50.2%. The return continues to be centered on dividends, but with comprehensive consideration for our stock price, cash on hand, etc., we will continue to consider the acquisition of our own shares as one of our options.



Strengthening Information Security Measures from Tangible and Intangible Perspectives

Strengthening information security measures is a key to the realization of the Data Universe concept. For some time, we have implemented network equipment vulnerability countermeasures, measures to strengthen post-event response on the assumption of malware intrusions, and 24-hour monitoring through a security operations center. Nonetheless, in July 2022 we experienced an unauthorized access to Group companies in Asian regions (excluding Japan). We are already working in cooperation with an external organization to further strengthen security throughout the Group and take measures to prevent a recurrence. Going forward, we will continue to focus on implementing strengthening measures while always incorporating the latest information.

As Groupwide initiatives, we will advance such measures as (1) enhancing the literacy of employees through computer security training, (2) enhancing the functionality of units that deal with

information security, and (3) reinspecting the initial response manual. Looking at the second of these, in April 2022 we established the Sustainability Management Department in the Corporate Planning Division of the holding company. This department includes a specialized information security unit. In addition to information security, the Sustainability Management Department will also advance sustainability initiatives.

Please refer to the section on sustainability initiatives, starting on page 58

Contributing to the Creation of Environments That Enable Employees to Take On Challenges

In the world of entertainment, it is necessary to continually provide future-focused products and services. For companies to achieve sustainable growth, it is important to create environments in which front-line employees have the freedom to take action in an open and enthusiastic manner, and in which people can always take on challenges. Going forward, I will work to support those initiatives from the perspectives of both finance and security, and to live up to the trust of our shareholders through growth in our corporate value.



ROUNDTABLE DISCUSSION AMONG OUTSIDE DIRECTORS

DIALOGUE

We will strive to support the sustainable growth of the Group by strengthening the monitoring function and maintaining sound management.

In FY2022.3, the Bandai Namco Group reached a turning point toward further strong growth. We started the Mid-term Plan in accordance with the Purpose. In addition, we made a transition to a company with an Audit & Supervisory Committee in order to strengthen corporate governance. In this way, we implemented a new management system.

Five outside directors, who have an important role in governance, met in a roundtable format to freely discuss a wide range of topics.



Koichi Kawana

Outside Director



Toshio Shimada

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

From a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee

Kawana It has been three years since I became an outside director of the Company, and over that period the Group has recorded notable growth and development. In April 2022, Bandai Namco transitioned to the TSE Prime Market under the market reorganization,

and the Company will be required to both record business growth and further strengthen governance. With consideration for these circumstances, the Company decided to transition to a company with an Audit & Supervisory Committee. Directors who are Audit & Supervisory Committee members have the right to vote at meetings of the Board of Directors. The audit and supervisory functions have been strengthened, and our fellow directors will work closely

with us to enhance governance. In addition, in conjunction with the transition, the topics discussed at Board meetings have been organized, and certain Board authority has been delegated to the newly established Full-Time Officers Committee. In this way, I expect that the speed of decision-making and business execution will be further increased.

Kuwabara I became an Audit & Supervisory Committee member after six

years as an outside director. Over that period, in order to support growth in corporate value, I principally worked to contribute to defensive governance, based on my knowledge and experience as an attorney in the area of corporate legal affairs. Having been appointed as an Audit & Supervisory Committee member, I have reconfirmed my responsibilities regarding my own role.

With the Group recording significant growth in global markets, I believe that the shift to a company with an Audit & Supervisory Committee, which enables the reinforcement of the monitoring function, was the correct decision. My role changed from an outside director at a company with an Audit & Supervisory Board to an Audit & Supervisory Committee Member. Accordingly, approaching this as an opportunity, and working to foster cooperation among the directors who are Audit & Supervisory

Committee members and the directors who are not Audit & Supervisory Committee members, I will strive to contribute to the reinforcement of the Board monitoring function.

Shinoda While drawing on my knowledge as a CPA, I have been a full-time, outside Audit & Supervisory Committee member since 2018. The Company's sales are now about 1.3 times the level in FY2018.3, and operating profit is about 1.7 times. I have worked on auditing matters with a constant awareness of whether the Group's governance is appropriate for this business scale. Going forward, based on my experience not only in accounting and finance but also in such areas as internal control and auditing of overseas corporations, I will strive to contribute to discussions at meetings of the Board of Directors.

In auditing, the Company has assigned employees to assist the Audit & Supervisory

Committee. These employees also work concurrently at the Internal Auditing Division. This system facilitates the advancement of stronger monitoring as a result of strengthened collaboration between audits by the Audit & Supervisory Committee and internal audits.

FY2022.3: Evaluation and future issues

Komiya I served as an Audit & Supervisory Committee member at Bandai Namco Amusement Inc. for four terms, or 16 years. As a CPA and certified public tax accountant, I was involved with such matters as settlement-related work, corporate revitalization, M&A, and corporate evaluation. That company faced a challenging period due to COVID-19, but on the other hand, there were also business companies with favorable

ROUNDTABLE DISCUSSION AMONG OUTSIDE DIRECTORS

results, and during the past year I reconfirmed how well balanced the Group is overall, even though individual companies might be facing different conditions.

Kawana In FY2022.3, the Group achieved record-high consolidated results, despite the influence of COVID-19. This is likely the result of how the Group firmly allocated management resources to growth fields while rapidly implementing necessary measures. One important issue going forward will be the extent to which the Group establishes and develops this trend.

Shimada It has been a year since I became an outside director, and over that period I have been very satisfied with the operating results. I would like to see the executives continue to accelerate initiatives as they move forward. However, this is a period in which results are favorable, and there are also matters that need to be discussed precisely for that reason. For example, thinking about the business 10 years or 20 years into the future, a major topic will be how to expand the workforce so that human resources do

not become a bottleneck for growth. In regard to monitoring human capital, one issue will be the establishment of monitoring indicators that can be referred to when evaluating the current circumstances. I think that it will be necessary to deepen discussions about the issues of whether resources are currently sufficient and the situation regarding targets for 10 years into the future, based on measurable indicators for each evaluation item.

Shinoda I have the impression that the Group's business portfolio has expanded considerably. On the other hand, in addition to steady development of established IP, the creation of new IP could be considered to be an issue. Also, in FY2022.3, *ELDEN RING* was a worldwide hit, but in general there is room for growth in the area of overseas rollouts. I think that there is a need for further initiatives targeting globalization, including in regard to governance.

Kuwabara The Group achieved these results even though it also has business formats that were adversely affected by COVID-19. This is a result of

the hard work of the executive directors and the front-line employees. I think that collaboration within the Group in order to leverage the Group's wide-ranging business portfolio is steadily deepening. One noteworthy point is how the Group has steadily addressed issues by advancing collaboration among businesses and reorganization initiatives in accordance with the IP axis strategy.

The Purpose incorporates the spirit of Bandai Namco

Kawana In the recent formulation of the Purpose, repeated, fundamental discussions were held regarding the meaning of the Group's existence for society. The conclusion was that the meaning of the Bandai Namco Group's existence is to make people happy, and the Purpose expressed that meaning. We were also able to provide a variety of opinions regarding draft versions. I think that the words of the completed Purpose go beyond just form to include the spirit of Bandai Namco.

Shimada The Purpose was created by employees with the comprehensive strength of the Group. Accordingly, I think that the Purpose itself expresses the true nature of Bandai Namco. Going forward, the Purpose will be steadily spread and connected to daily activities. The Group is also planning to investigate the extent to which the Purpose has permeated the workforce, and I think that the monitoring of that progress should include measures to ensure that employees do not develop the attitude that "the Purpose is the Purpose, but the numbers are the numbers."

Shinoda The key phrase in the Purpose—connecting and working together to create things—emphasizes relationships among various people around the world. I think that this is

a strong message about aiming to grow as a Group by not only focusing on connections with fans through products and services but also working internally to further strengthen collaboration among various departments.

Kuwabara The Purpose was created with the involvement of the entire Group, including the outside directors. This became an excellent opportunity to redefine and focus attention on the meaning of Bandai Namco's existence. It was prepared in two languages—a Japanese version and an English version—and with consideration for the characteristics of the languages, the detailed expressions are different in the two versions. The essential meaning has been solidly incorporated into both versions. I think that this reflects Bandai Namco's approach, with priority given to solidly deepening the understanding of overseas employees, without insisting on a direct translation.

Komiya When the formulation of the Purpose was discussed, I was at a business company. When I saw the new logo, I felt that the Group was progressing to a new stage. I think that giving concrete shape to a new concept sends a strong message both inside and outside the Group.

Risk management in the Mid-term Plan

Kawana In the formulation of the Mid-term Plan, the one-year delay in the start of the plan facilitated deeper discussions about the quality of connections, maximizing IP value, the metaverse, and the best approach to investment. In addition, appropriate, repeated discussions were held about overseas business risk. In addressing risk, it is important to identify distinctive risks for each business in line with importance classifications, to grasp their impact, and to move ahead with countermeasure preparations in

"When I saw the new logo, I felt that the Group was progressing to a new stage. I think that giving concrete shape to a new concept sends a strong message both inside and outside the Group."



advance. We were able to confirm that the executives did a solid job with that process. Nonetheless, unexpected risks always exist. It is necessary to implement information-gathering measures so that information can be acquired as rapidly as possible and necessary measures can be implemented. Moreover, in expanding business operations on a global basis, one also has to carefully take into account potential risks in regard to such factors as religion, ethics, and education in products and services. It is important to create frameworks that make it possible to prevent problems from arising, while paying careful attention to differences in regions and cultures.

Shimada It is not clear how the metaverse will grow as social infrastructure in the future. In this market environment, it will likely be necessary for Bandai Namco to decide on its core approach to the metaverse as a Group. As one facet of that process, it might become necessary to build, on a daily basis, venues for discussions with fans about the best approach to wholesome Internet spaces.

In addressing digitalization, information security issues are also important. Looking at security measures, Bandai Namco has

taken a serious approach to the implementation of initiatives. Nonetheless, in July 2022 the Group experienced an unauthorized access from a third party. The Company has already begun to work out measures to bolster security and prevent a recurrence. Information security is a never-ending task, and there is no such thing as perfect security. On that basis, I will work to implement firm monitoring from the position of an outside director.

Shinoda Looking at the personnel strategy in the Mid-term Plan, there are three types of human resources: marketing personnel, creators and engineers, and personnel in administrative units. In expanding business overseas, in particular, I would like to see the Group do a good job in securing and nurturing administrative personnel, who will support the overseas regional headquarters functions.

In addition, from the perspective of risk management, I am also emphasizing measures to address the progress of digital technologies. In addressing that progress, business growth cannot be expected if development and production expenses in the game and visual product fields are not incurred. On the other hand, if wrong



"The meaning of the Bandai Namco Group's existence is to make people happy. I think that the words of the completed Purpose go beyond just form to include the spirit of Bandai Namco."

ROUNDTABLE DISCUSSION AMONG OUTSIDE DIRECTORS



“Information security is a never-ending task. Going forward, I will work to implement firm monitoring from the position of an outside director.”

decisions are made, then it is possible that the only thing that remains will be substantial expenses. Moving forward, I would like to continue to pay close attention to expenses, including the share of assets accounted for by work in process.

Kuwabara There were thorough, repeated discussions regarding the numerical targets in the Mid-term Plan. In FY2022.3, *ELDEN RING* was a major hit, and the Group was able to achieve operating profit of ¥125.4 billion. What will be important is achieving the ¥100 billion level in a stable, ongoing manner. As operating profit targets that can be achieved in a stable manner, the target was ¥50 billion two plans ago, and ¥60 billion in the previous plan. The fact that the Group has been able to achieve this much of an increase is a major accomplishment. However, going forward it will be necessary to continue to steadily reinforce the business foundation.

In regard to risk management, there are two important points—advance expectation and preparation, and rapid response in the event that something happens. Looking at the former, the Independent Directors Committee has provided the opinion that understanding overseas risks is an issue. In response to this opinion, the Group Business Report Meeting is

conducting rapid improvement, such as implementing detailed reports by region. However, with consideration for the rapidly changing social environment, it will likely be necessary to further strengthen overseas risk monitoring.

Kawana One major risk is a situation where “you don’t know what you don’t know.” Based on the assumption that there are areas that we do not know much about, it is necessary to focus on those areas in some way. To that end, connections with diverse people with differing genders, nationalities, and ages are important. That is because if a group of people all have similar backgrounds, their view of the world will naturally be limited.

Creating environments in which people can work actively without regard to gender and nationality

Kuwabara Currently, there is one female officer at the holding company, which is me. However, the Group has continued to develop female executive candidates, and accordingly the number of female officers is steadily increasing in the business companies, including women who have been appointed as president. A little

more time might be required, but I look forward to seeing women from within the Group be appointed as officers at the holding company.

To increase opportunities for active careers for women, it will be necessary to abandon the fixed idea that life events are the responsibility of women and to have men and women work together on handling life events. For companies too, there will be a need for working styles that facilitate support for these initiatives. In response to the spread of COVID-19, the Group aggressively implemented measures to support new working styles, such as promoting remote work within the Group. I think that these initiatives are an important step forward in the promotion of diverse working styles.

Kawana In regard to diversity, the promoting of non-Japanese employees is also important. For Bandai Namco to grow as a global enterprise, it will be important to have local employees leading business from local regions. For that reason as well, it will be necessary to develop non-Japanese employees and to enhance the work environment. In FY2022.3, for the first time, a non-Japanese



“In addition, from the perspective of risk management, I am also emphasizing measures to address the progress of digital technologies. On the other hand, if wrong decisions are made, then it is possible that the only thing that remains will be substantial expenses. Moving forward, I would like to continue to pay close attention to expenses, including the share of assets accounted for by work in process.”

director was appointed at Bandai Namco Entertainment, a business management company. This person is concurrently working as CEO at Bandai Namco Europe S.A.S., an operating holding company in Europe. The Personnel Committee conducted an interview online. I hope that this appointment of a non-Japanese director fosters a shared understanding of what is needed in order to support active careers for non-Japanese personnel, and I would like to see it lead to further diversity within the Group.

Sustainability and governance

Kawana In the evaluation of the effectiveness of the Board of Directors that was conducted in FY2022.3, the Independent Directors Committee offered two opinions. The first was that there is a need to strengthen discussions from an overall optimization viewpoint in regard to the direction that the entire Group needs to take. The second was that in order for the Group to fulfill its responsibility in regard to the realization of a sustainable society, there is a need for the Board of Directors to conduct discussions



“It was thought that incorporating sustainability into evaluations of directors would be a strong message for both directors and employees about earnestly addressing sustainability.”

about such matters as future directions and initiatives, based on a shared understanding regarding sustainability. In response to these issues, from FY2023.3 the Vision Meeting has been established as a meeting in which all officers participate. The participants discuss what the Group aims to be in 10 years and other matters.

Kuwabara It was decided to add sustainability to the evaluation items for directors (excluding outside directors and directors who are Audit & Supervisory Committee members) from FY2023.3. It was thought that incorporating this into evaluations would be a strong message for both directors and employees about earnestly addressing sustainability, and it was recommended by the Personnel Committee. The detailed evaluation method will be determined going forward. It will be important to enhance Groupwide awareness about sustainability by making the process transparent and communicating information.

Shimada Looking at the establishment of the Sustainability Policy, including targets for decarbonization, there are areas in which the Group has taken the lead over other companies. Going forward, a key point will be how this is implemented, and how the Board conducts monitoring.

Shinoda To meet our responsibilities to society in regard to carbon, I would like to see everyone strive to make steady progress toward the announced targets. At the same time, the Group also needs to actively advance steady initiatives linked to operations that leverage the Group’s distinctive strengths, such as the Gunpla Recycling Project, which is implemented with the cooperation of fans. [See page 62 for further information](#)

Kawana In FY2022.3, there were major changes to the remuneration framework for directors, including the sustainability evaluation. With the Group reaching a turning point toward dramatic growth, it was thought that this would be a suitable incentive for a stage of new challenges. The setting of the remuneration standards also took into account the employment of human resources for expanding global business. The outside directors will do their utmost to provide support so that talented people from around the world can join Bandai Namco and demonstrate their capabilities.

SPECIAL FEATURE

MID-TERM PLAN OF THE BANDAI NAMCO GROUP (APRIL 2022 TO MARCH 2025)

The Bandai Namco Group commenced a new three-year Mid-term Plan in April 2022. In accordance with the newly formulated 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 deep, broad, multifaceted connections.

Mid-term Vision

Connect with Fans

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

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Main Strategies For further information, P.32

▶ IP Axis Strategy <small>P.42-51</small>	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
▶ Personnel Strategy <small>P.52-57</small>		Developing diverse human resources
▶ Sustainability <small>P.58-67</small>		Connecting to a smile 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 company with an Audit & Supervisory Committee

- We have established an Audit & Supervisory Committee and directors who are members of the Audit & Supervisory Committee have the right to vote at meetings of the Board of Directors. Accordingly, the Board auditing and supervisory functions have been strengthened.
- Through the delegation of Board authority for certain matters, we are implementing more rapid decision-making and business execution in rapidly changing entertainment markets.

Certain changes to Unit system → Reorganizing within the IP Production Unit

- We combined the Visual and Music Business and the Creation Business to establish the IP Production Business.

Shareholder Return

- Basic policy: We will continue to follow a basic policy of providing a return to shareholders that targets a total return ratio of 50% or more based on stable dividend payments of 2% of DOE (dividends on equity).

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.

2007.3-2009.3 Mid-term Plan

- Theme: Strengthening, Enriching, and Expanding Portfolio Management**
- Strengthening corporate governance
 - Effectively utilizing human resources
 - Building optimal management system
 - Entertainment Hub Concept
 - Strengthening overseas businesses



Reduction in speed
Unable to address changes in society

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

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

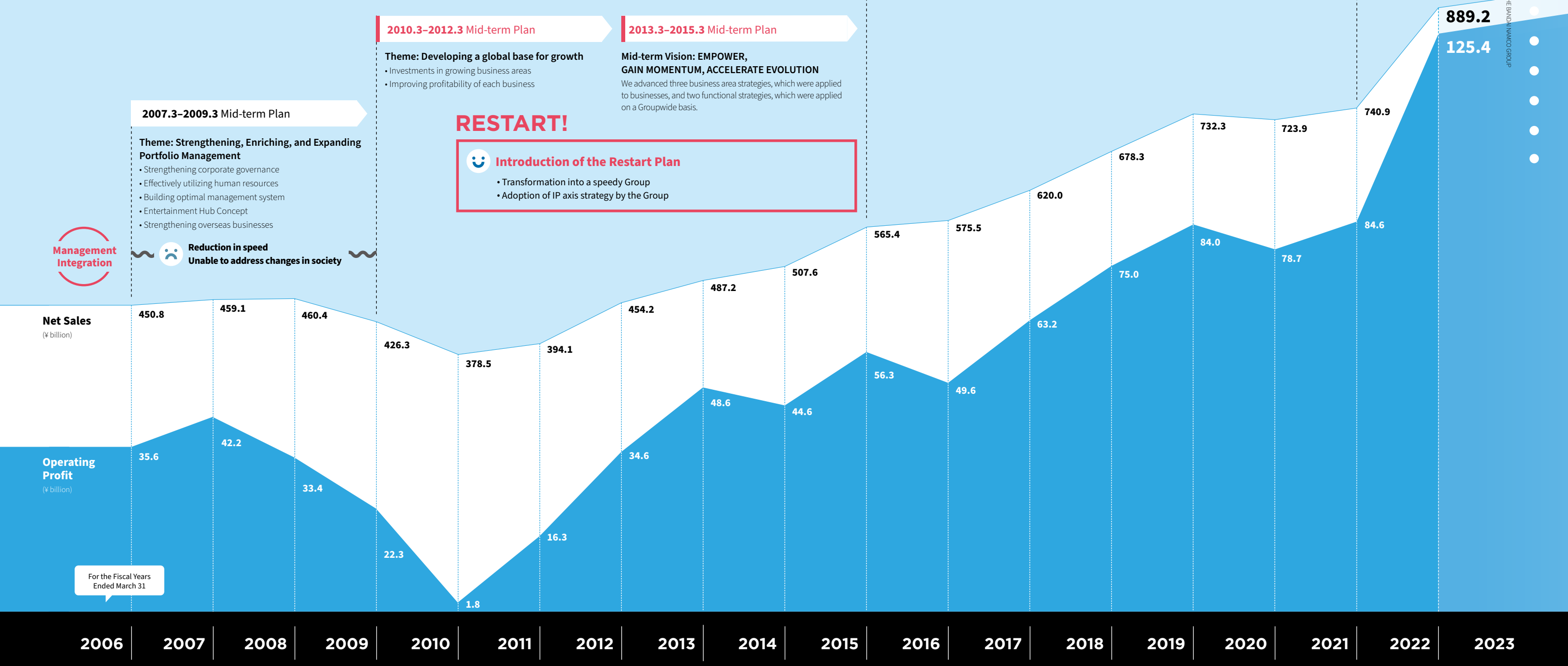
2019.3-2021.3 Mid-term Plan

- 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 ALL BANDAI NAMCO
 - 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

IP axis strategy: From adoption to acceleration



For the Fiscal Years Ended March 31

SPECIAL FEATURE
MID-TERM PLAN OF THE BANDAI NAMCO GROUP

DETAILS OF THE MAIN STRATEGIES IN THE MID-TERM PLAN

Point 01

IP Axis Strategy

The IP axis strategy, which is the Group's strength, is the core of the current Mid-term Plan. We are aiming for sustainable growth by implementing new initiatives to foster deep, broad, and multifaceted connections with fans around the world; by accelerating evolution in the IP axis strategy; and by working to build businesses as we work together under the ALL BANDAI NAMCO concept in regions around the world.

IP×Fan

Connecting with fans through IP

New framework for connecting with fans

We will develop a metaverse for each IP (pages 42 to 45) as a new framework for connecting with fans. We are anticipating virtual spaces that will enable customers to enjoy a wide range of entertainment on an IP axis, as well as frameworks that leverage Bandai Namco's distinctive strengths to fuse physical products and venues with digital elements. We are aiming for open frameworks that provide venues for connections with and among fans and business partners.

IP×Value

Enhancing IP value

Accelerating evolution in the IP axis strategy

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, and we will redefine the optimal IP axis strategy for IP fans and for IP itself. In these ways, we will aim to accelerate evolution in the IP axis strategy.

• Strengthening IP creation

By reorganizing the IP Production Unit and collecting/integrating know-how related to visual, music, and live events, we will further reinforce our IP creation and production capabilities. In addition, we will implement strategic investment for the purpose of IP creation. We will strive to create IP from a variety of perspectives, including from products and services, through Groupwide initiatives, through the Bandai Namco Content Fund, and through initiatives with external business partners. In these ways, we will work to nurture IP creation.

• Working to maximize IP value on an IP axis

• In working on a business axis, we aim to maximize business operations by leveraging IP with a wide range of outlets for products and services. In addition, we also work from an IP platform perspective, where we emphasize the IP axis with the objective of maximizing the value of the IP itself. We will build IP platforms that foster connections between Bandai Namco and fans, and among fans themselves, through a wide range of products and services.

• Aiming to maximize the value of IP, from a longer-term perspective, we will emphasize IP value maximization and implement open collaboration with a wide range of partners.

• For IP rolled out across regions and multiple businesses, we will aim for IP value maximization through Groupwide projects that extend across businesses and regions. With IP producers as the control towers, we will focus on IP value maximization and work to roll out IP from a long-term viewpoint of overall optimization.

IP×World

Connecting the world through IP



Building businesses under the ALL BANDAI NAMCO concept

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

- The new logo will be displayed on all Group products and services. In this way, we will strive to leverage the appeal of the ALL BANDAI NAMCO brand.
- In the development and marketing of products and services with an IP axis, we will take steps to further bolster collaboration among businesses.
- For IP that is rolled out worldwide, the Group will implement projects that extend across businesses and regions.
- We will focus on creating and nurturing IP originating in each region.

Targets for the final year of the Mid-term Plan

Group overseas sales ratio: **35%**

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**

→ New IP creation, Groupwide IP projects, open innovation, etc.

• Investment to develop the IP Metaverse: **¥15.0 billion**

→ Establishment of data foundation (Data Universe), development of content, etc.

Point 02

Personnel Strategy

Developing diverse human resources

- We will work to develop diverse human resources in a variety of fields, such as marketing personnel, creators and engineers, and personnel in administrative units.
- We will strive to be a group that demonstrates the concept of "same spirit, diverse talents" and fosters active participation by employees with varied talents, individual characteristics, and values.
- We will support employees as they take on challenges and develop human resources to advance the IP axis strategy on a global basis.
- We will work to address new and diverse working styles.

Point 03

Sustainability

Connecting to a smile into the future

In accordance with our Purpose, we will work together with fans to advance sustainability activities for the realization of a sustainable society.

- The Bandai Namco Group Sustainability Policy P.60
- Specification of Material Issues (Verifying the Appropriateness of the Important CSR Themes) P.61
 - Harmonious coexistence with the natural environment P.62-63
 - Provision of appropriate products and services P.64-65
 - Appropriate utilization and protection of intellectual property P.66
 - Establishment of work environments that facilitate mutual respect P.54-57
 - Harmonious coexistence with communities P.67
- Medium- to long-term targets for decarbonization P.63

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

Forging stronger connections with fans from both digital and physical perspectives

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

The Unit's main strategies are "large-scale, long-term investment × short-cycle, rapid investment" and "acquiring a focus on maximizing IP value."

First, we will aim to implement investment aligned with business characteristics and to foster mutual collaboration. In this way, we will work to utilize and demonstrate the full effects of the different characteristics and business models of the digital business (content) and the physical business (tangible goods). In the Digital Business, to respond to changes in markets and customer preferences, large-scale growth investment is necessary. On the other hand, in the Toys and Hobby Business, we will implement large numbers of short-cycle investments in order to further strengthen rapid product development and rollouts.

Then, we will work to maximize IP value itself from a variety of directions. We need to think as a manufacturer, maximizing business earnings by rolling out IP products and services, and we also need to think as a platformer, pursuing increases in the value of IP itself. Through these two ways of thinking, we will consider and implement the optimal measures for maximizing IP value.

For example, with *Mobile Suit Gundam*, visual products, and services are rolled out on a Groupwide basis for a wide range of targets. Furthermore, we work to maximize IP value by leveraging new concepts and business development initiatives through collaboration and cooperation with external partners. We will also develop the *Gundam* Metaverse as the first stage in the IP Metaverse, a new framework for connecting with fans. Moreover, in addition to expanding overseas business development initiatives, together with external partners we will work to address social issues through *Gundam* Open Innovation. Through these types of measures, we will work to maximize IP value over the medium to long term from a variety of perspectives.

Digital Business: Advancing the metaverse concept for a new era

In the Digital Business, we will aim to forge deeper, broader, and more multifaceted connections with fans. We have commenced metaverse development, and will advance the Data Universe concept with the objective of implementing integrated management of the fan data that will be the foundation for our operations in this area. In addition, our basic policy is to exceed the expectations of fans around the world with high-quality content and diverse entertainment that fans can enjoy over long periods of time. In accordance with this policy, we will work to advance quality-focused development by both expanding titles originating in Japan and creating titles originating overseas. In addition, we will strengthen the marketing function in each region. Furthermore, we will take on challenges that transcend the framework of games, such as collaboration with the Toys and Hobby Business and taking on the challenge of new entertainment.

In the Digital Business, we are already actively implementing investment and technical research with a focus on the arrival of the Web 3.0 era and the full-scale progress of the metaverse. We are pursuing entertainment that will provide even more enjoyment to fans. We will leverage the Group's strengths and work from both digital and physical perspectives to deliver a new world that no one has experienced before, a world that is only available from Bandai Namco.

Toys and Hobby Business: Maintaining dedication to manufacturing, accelerating global rollouts

In the Toys and Hobby Business, a large number of IP and product categories have the potential for global growth. For established IP, multiple new media rollout initiatives are planned during the period of the Mid-term Plan, and the Toys and Hobby Business will work to maximize product and service rollouts while cooperating with the Digital Business.

By region, in North America, we will make full use of a new company that was created through the integration of a company with strengths in distribution for the mature fan base and a company with strengths in mass market distribution. We will work to cultivate specialty stores, strengthen e-commerce and digital marketing, and enhance our presence. In China, centered on a new company combining the Digital Business and the Toys and Hobby Business, we will increase the categories in which we have a presence with locally originated IP and expand the distribution network. At the same time, we will strengthen collaboration among businesses and further reinforce the IP axis strategy. In addition, we will link this to significant growth in the entire Asian region, centered on development initiatives in China.

In the Toys and Hobby Business, we will focus on manufacturing and, as a global challenge, aim to have an irreplaceable presence for fans around the world.



Yasuo Miyakawa

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

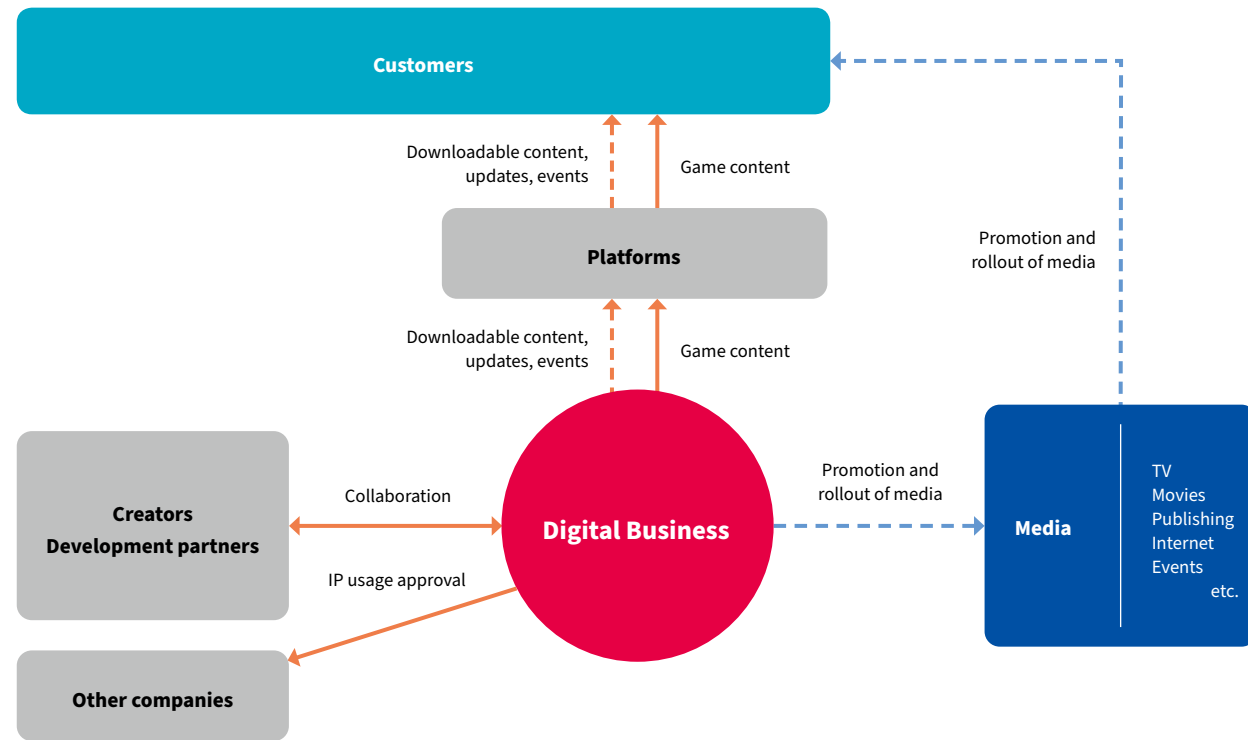


Kazuhiro Takenaka

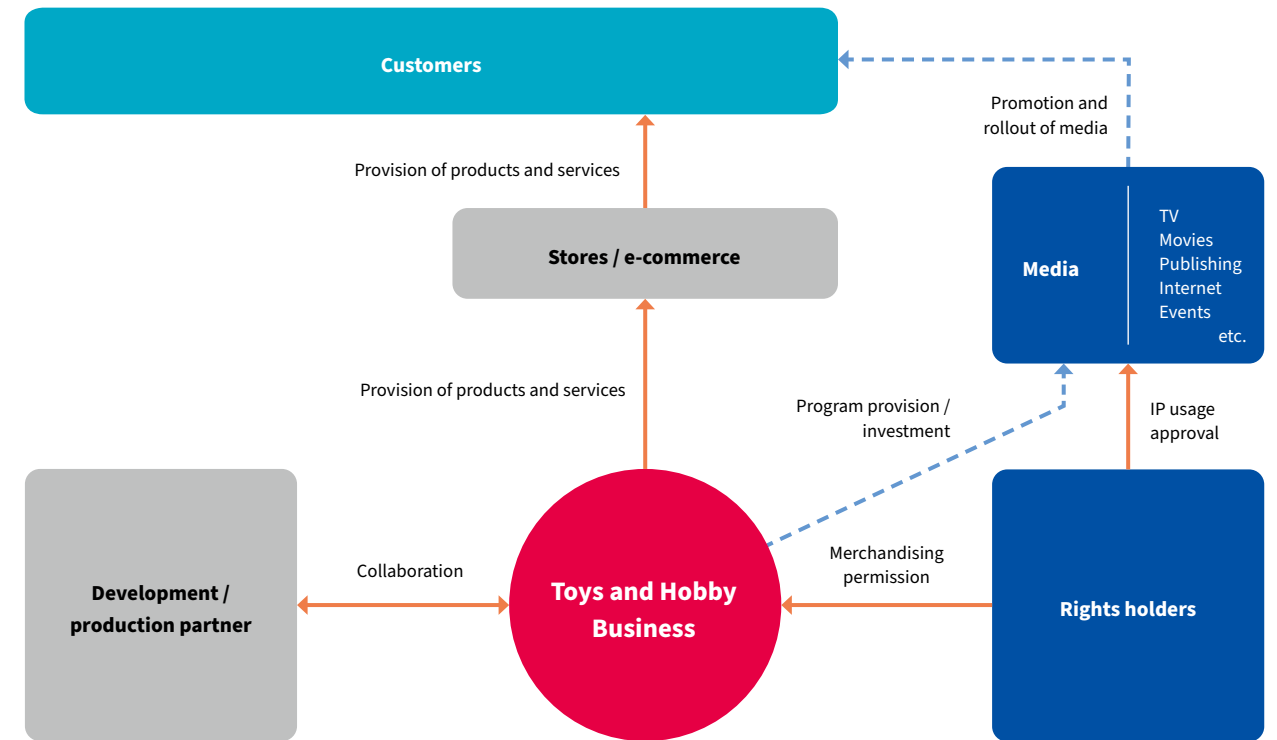
Director (Part-time)
In charge of Toys and Hobby Business,
Entertainment Unit
Bandai Namco Holdings Inc.
President and CEO
BANDAI CO., LTD.

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

FY2025.3 NUMERICAL TARGETS

Segment Sales
¥480.0 billion

Segment Profit
¥58.0 billion

Results forecasts are as of May 2022.

FY2022.3 RESULTS AND RELATED DATA

■ Sales by Major Category

Network content
¥185.5 billion

Home video games
¥174.4 billion

■ Network Content

Overseas sales ratio*
39%

* Percentage of network content sales contributed by transactions arising overseas

■ Home Video Games

Unit sales of home video games
56,847 thousand units

Full package download sales ratio
66%

MAIN STRATEGIES

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

FY2025.3 NUMERICAL TARGETS

Segment Sales
¥450.0 billion

Segment Profit
¥59.0 billion

Results forecasts are as of May 2022.

FY2022.3 RESULTS AND RELATED DATA

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

Anpanman
¥8.7 billion

Mobile Suit Gundam series
¥44.2 billion

PRETTY CURE! series
¥5.7 billion

Ultraman series
¥8.0 billion

Super Sentai series
¥4.4 billion

Pokémon
¥5.9 billion

KAMEN RIDER series
¥22.8 billion

DRAGON BALL series
¥19.7 billion

ONE PIECE
¥10.0 billion

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**

Becoming a strong group that integrates visual products and music to foster connections among IP and fans

The Mid-term Vision of the IP Production Unit is “Evolving into the leading IP production group that continues to provide a wide variety of stories that bring the world together.” Our main strategies are “accelerating the creation of hits by strengthening multifaceted production capabilities,” “maximizing product value by strengthening multifaceted management capabilities,” and “establishing strong Unit structure for the implementation and continued development of strategies.”

In April 2022, we implemented a reorganization. Three companies in the visual products business were integrated to establish Bandai Namco Filmworks Inc., and three companies in the music and live events business were integrated to establish Bandai Namco Music Live Inc. As a result of this reorganization, we have a stronger system connecting IP and fans in the visual and music businesses, from the creation of IP to the provision of products and services. Under the new system, the Unit’s abundant know-how and personal connections have been consolidated, and we can flexibly leverage the optimal combinations of creators, staff, artists, etc., for each product. In this way, we will work to strengthen the creation of nurturing of hit IP.

In addition, our business in overseas markets has an enhanced potential for growth through increased online distribution and sales of products as well as increased provision of licenses. Going forward, we will accelerate IP creation, with an assumption of global rollouts. Moreover, we will collaborate within the Group as well as with external partners. In this way, we will also focus on expanding the regions. Through these initiatives, we will connect IP and fans around the world and further increase IP value.

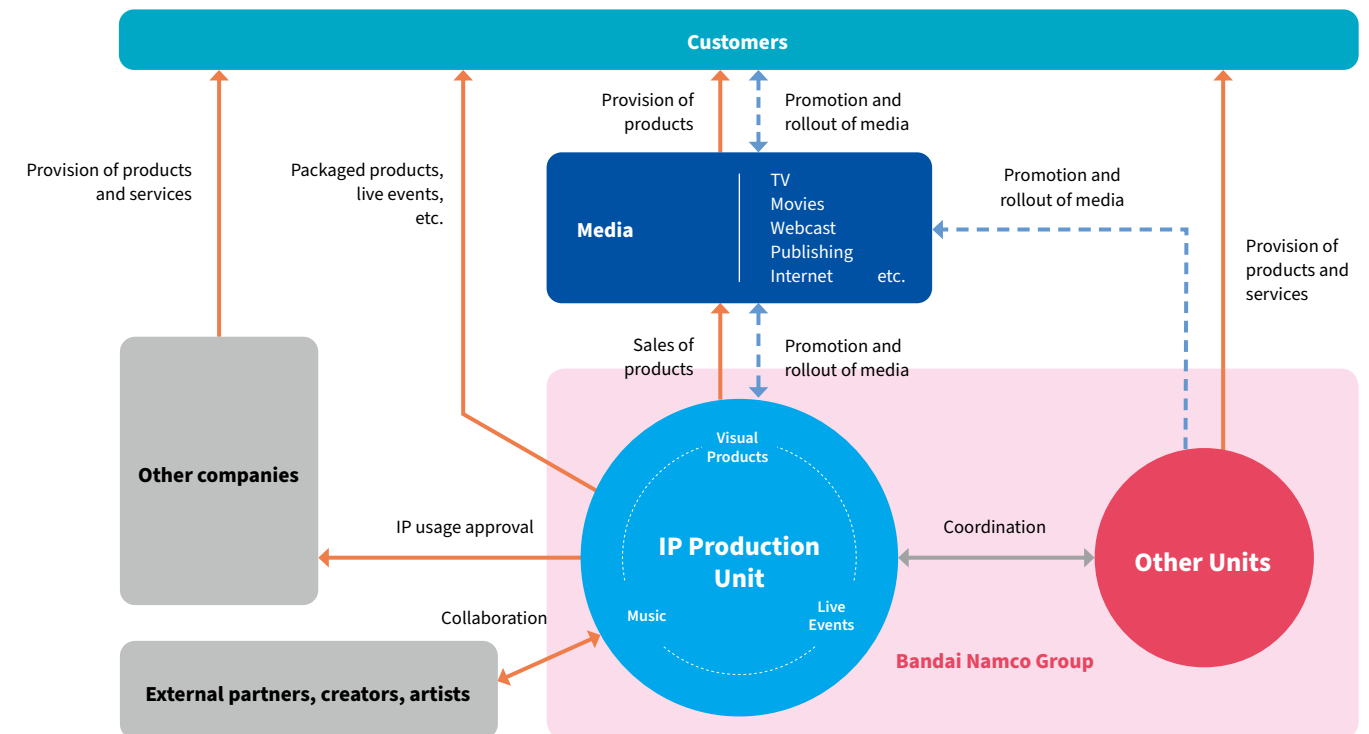
Our mission is to create and maximize IP itself, which is the key to the IP axis strategy. Up to this point, we have created a large number of IP over many years. However, the environment has changed substantially, and competition has intensified on a global scale. In order to continue to generate hit IP, we will also need to change significantly. While addressing changes in the environment and diversification of fan preferences, we will aim to be a strong organization that can steadily create new IP that touches the hearts of fans, and then deliver that IP around the world.



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

UNIT

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 Unit structure for the implementation and continued development of strategies

FY2025.3 NUMERICAL TARGETS

Segment Sales **¥100.0 billion**

Segment Profit **¥17.0 billion**

Results forecasts are as of May 2022.

FY2022.3 RESULTS AND RELATED DATA

Visual and Music Business Number of Copyrighted Products (As of March 2022)

Number of copyrighted products /
Total number of hours
BANDAI NAMCO Arts Inc.
**1,218 products /
4,508 hours**

Number of musical works
BANDAI NAMCO Arts Inc.
Number of works with master license recordings
Approx. 66,700
Number of works published
Approx. 35,700

Number of Live Events Held Number of performances* **600 times**

* Number of performances held by BANDAI NAMCO Live Creative Inc.

Number of Copyrighted Products (As of March 2022)

Number of copyrighted products /
Total number of hours
SUNRISE INC. and BANDAI NAMCO Pictures INC.
**345 products /
2,780 hours**

Note: Company names are as of FY2022.3.

AMUSEMENT

Unit Mid-term Vision

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

Providing customers with experience value that leverages real venues

The Mid-term Vision of the Amusement Unit is “Responsive to Change—Becoming a Unit that can address change as we move into the future.” We will provide customers with experience value that draws on our real venues. In addition, from our position supporting content outlets for the Group’s IP axis strategy, we will work to enhance the Unit’s presence.

In formulating the Mid-term Plan, we envisioned what we wanted the Amusement Unit to be like in 10 years. With consideration for the rapidly changing business environment, we will work to both strengthen our business foundation through structural reforms and plant seeds for the realization of future growth in cooperation with the Group. With consideration for the issues in the previous Mid-term Plan and for current circumstances, we will aim to be a Unit that fully leverages its strengths.

We have formulated three main strategies: Transform: Change method of implementing businesses; Unite: Continually work together as a Unit to foster optimization; and Control: Address circumstances rapidly and flexibly. In the future, we will work with two types of amusement facilities. Commodity amusement will be everyday amusement based on our existing facilities, while brand amusement will involve fully leveraging the Group’s strengths to provide amusement that cannot be provided by any other company. Under the Mid-term Plan, commodity amusement will be a pillar of our earnings, and we will nurture high-value-added brand amusement by investing the earnings that are generated in commodity amusement.

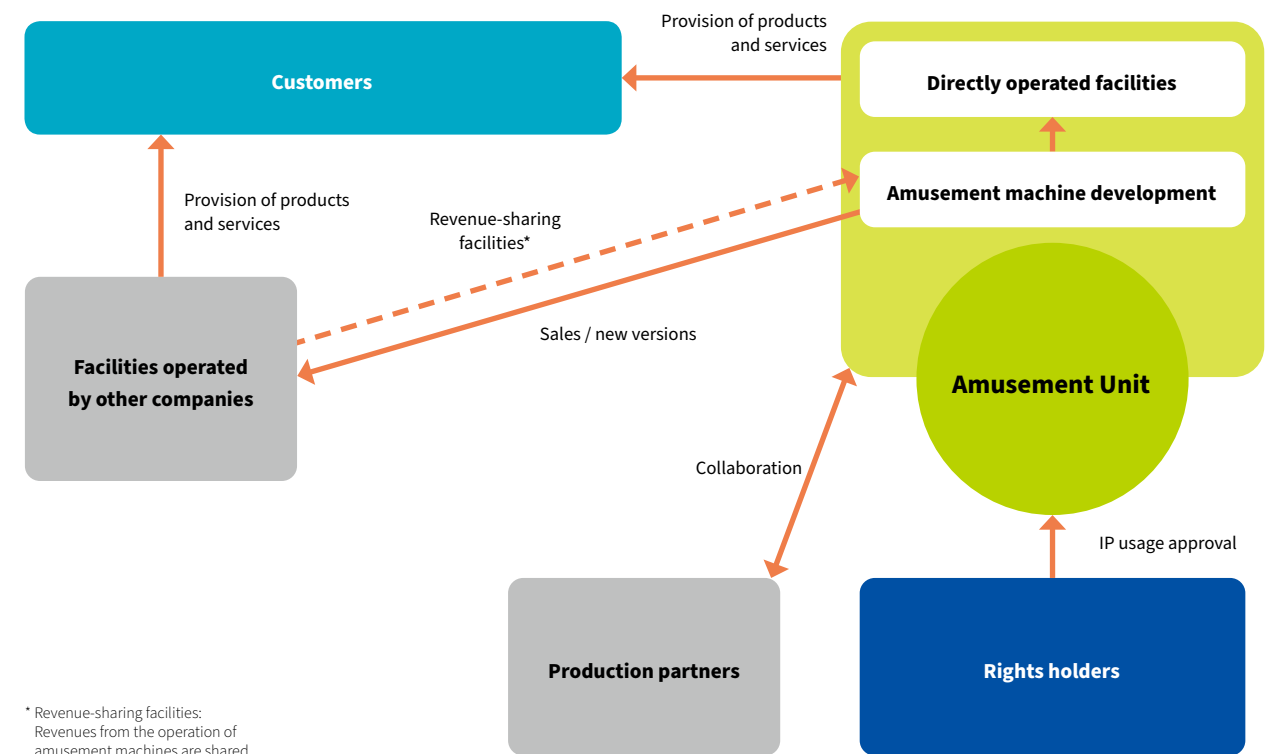
We offer real experiences in which friends and family share fun and inspiration, and this is what leads to increases in content value. We can enhance the customer experience value by not just offering opportunities to purchase items but also providing experience through a process that extends up to the point at which things are acquired. By connecting with other people through IP and sharing experiences within the world of the IP, value is created that cannot be found anywhere else. The customer experience value that can be provided by the Amusement Unit involves advancing the IP axis strategy by leveraging real venues that have direct customer contact points. Furthermore, by strengthening collaboration with Group companies, we will work to evolve into a unique, highly competitive businesses.



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

UNIT

Example of Business Model in the Amusement Unit



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

MAIN STRATEGIES

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

FY2025.3 NUMERICAL TARGETS

Segment Sales
¥100.0 billion

Segment Profit
¥6.0 billion

Results forecasts are as of May 2022.

FY2022.3 RESULTS AND RELATED DATA

Sales by Major Category

Amusement machines
¥20.8 billion

Amusement facilities
¥61.5 billion

Number of Amusement Facilities (Global total)

Directly managed facilities
261 facilities

Revenue-sharing facilities*
567 facilities

Other
5 facilities

Total
833 facilities

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

DIALOGUE

⇒ Fusing Digital and Physical Elements

Demonstrating a Stronger Presence through the Fusion of Digital and Physical Elements

In April 2021, the Bandai Namco Group integrated the digital business (content) and the physical business (tangible goods). With the objectives of building a system that can leverage a wide range of content outlets and of creating new entertainment, we established the Entertainment Unit, comprising the Digital Business and the Toys and Hobby Business. In the area of human resources, the Group is also advancing personnel exchanges. Koji Fujiwara, who had worked in the Toys and Hobby Business, has become the managing director of Bandai Namco Entertainment Inc. (BNE), and Nao Udagawa, who had worked in the Digital Business, has become the president and representative director of BANDAI SPIRITS CO., LTD. (BSP). Mr. Fujiwara and Ms. Udagawa were asked about future initiatives in the fusion of digital and physical elements in order to succeed in intensely competitive global markets.

Looking Back at FY2022.3

Fujiwara By actually working in the Digital Business, I have been able to directly experience how the business model and cycle are different from those in the Toys and Hobby Business. On the other hand, I have also had the impression that the fundamental spirit is the same. The Digital Business and the Toys and Hobby Business share the same spirit in the sense that they make good products that are accepted by markets and fans. I have the feeling that

there is a great potential for the two businesses to achieve many things together by understanding their differences while sharing the same spirit.

Udagawa When I started in this position, I realized once again the breadth of the product categories in the Toys and Hobby Business, as well as the large number of products. The speed of operations is different from the Digital Business, with a cycle of products launching on what seems almost like a daily basis. In addition, the Toys and Hobby Business has high growth

potential in global markets. By deepening the fusion with the Digital Business, which has abundant know-how regarding worldwide rollouts, and leveraging that knowledge, I think that it will be possible to further accelerate the pace of growth.

Fusion of Digital and Physical Elements—Results and Response

Fujiwara To advance the fusion of the Digital Business and the Toys and Hobby Business, it will be necessary to mutually

deepen the understanding of the characteristics of each business. Within the Digital Business, I have worked to provide examples that foster an understanding of the characteristics of the Toys and Hobby Business. A little more time might be required until we see results, but I think that over the past year, within the Digital Business, there has been an increase in people's understanding of and interest in the Toys and Hobby Business.

Udagawa With the mission of expanding BSP's business globally, I have continued to implement communications initiatives within the Group. Awareness of global expansion has spread throughout the company, and I think that global development has accelerated significantly over the past year. In addition, progress is also being made in collaboration with the Digital Business, with IP as an axis. There has been growing cooperation in marketing, such as joint sponsorship of events, and increased development of products from IP originating in BNE games. I have the sense that the fusion is steadily deepening.

Fujiwara In the creation of entertainment, wide-ranging thinking and drive are extremely important for the people working in planning. It's not an exaggeration to say that in terms of achieving our goal, enthusiasm is everything. With the Digital Business and the Toys and Hobby Business in the same Unit, we have established an environment in which the two businesses can share goals and motivate each other while directly experiencing the other side's enthusiasm. I think that this is highly significant.



Koji Fujiwara



Chief *Gundam* Officer (CGO)
Managing Director
Bandai Namco Entertainment Inc.

Joined BANDAI CO., LTD., in 1998. Worked in the toy and plastic model departments, and became Chief *Gundam* Officer (CGO) in 2018. After working as a director at BANDAI SPIRITS CO., LTD., moved to current position in April 2021.

Nao Udagawa



President and CEO
BANDAI SPIRITS CO., LTD.

Joined BANDAI CO., LTD., in 1994. Worked in the mobile phone content and game departments, and became a director at Bandai Namco Entertainment Inc. in 2015. After working as managing director at BNE, moved to current position in April 2021.



Effects of Personnel Exchanges in Advancing Fusion

Udagawa I think that our recent personnel exchange has become an important opportunity in the sense of learning about the entire Group. On the front lines, personnel exchanges between the Digital Business and the Toys and Hobby Business have been conducted in the past, and going forward I would like to see larger numbers of employees able to gain experience in each other's business operations. In this way, employees will be able to develop a stronger awareness of what the Group can do, without being limited to the business scope of individual companies. One issue is how Bandai Namco should interact with fans around the world. I look forward to seeing increases in the personnel who can think about this issue from a Groupwide viewpoint.

Fujiwara There is no doubt that mutual understanding is deepened when people experience different companies and businesses. From a long-term viewpoint, the implementation of personnel transfers across businesses will result in employees having wide-ranging Group viewpoints. No matter what Group company or business one is associated with, it is necessary for everyone

to think about what the entire Group can do, and what the Group aims to be. Going forward, one issue will be how we can nurture human resources with this wide-ranging viewpoint.

Udagawa Personnel transfers between companies, businesses, and Units are no longer unusual at the Bandai Namco Group. When someone demonstrates their skills and know-how in a new workplace, they have a refreshing effect on those around them. They can also acquire new knowledge and experience and expand their personal connections. This forms a type of cycle. Our work is not just doing what has been assigned to us. It is important that we create work ourselves. I believe that an increase in the number of people who can enhance their own capabilities and continue to create new value will lead to the development of the business.

Advancing the IP Metaverse as a Groupwide Axis

Fujiwara In general, the metaverse indicates a world in which users interact through avatars in virtual spaces created on a network. However, the Bandai Namco Group's metaverse is aimed at creating connections among fans, centered on IP. Fan communities will be activated as fans around the world connect through the metaverse. Then, in the real world we will roll out products and services in a form that addresses the increase in enthusiasm of the activated fan communities. This is the type of metaverse that can only be provided by Bandai Namco, which has both digital and physical businesses.

Udagawa At BSP, in August 2021 we implemented a trial version in Japan of THE GUNDAM BASE VIRTUAL WORLD, a virtual space to which anyone from around the world could go to have fun. Online, fans could move about freely within the facility. Certain *Gundam* plastic models could

actually be purchased as visitors viewed exhibitions, including a life-size virtual diorama and a gallery, as well as various visual products and merchandise. I think the metaverse space will have combinations of these services and will be a gathering site for *Gundam* fans. There is no finished form. Rather, I envision it continuing to grow and expand. It will be important to advance development in a manner that is aligned with the times.

Fujiwara There is very wide range of *Gundam* fans, and accordingly I think the core community should be formed first, then expanded in stages. First, in FY2023.3, we plan to launch a colony for *Gundam* plastic model fans within the Space Colony, a *Gundam* virtual space. In FY2024.3, we plan to launch an e-sports colony, and to subsequently launch colonies in a variety of categories. We would also like to provide venues where businesses utilizing *Gundam* can be rolled out, including not only within the Group but also companies outside the Group and fans. The concept is for spaces that will enable *Gundam* fans to come and go freely between colonies and therefore enjoy the *Gundam* worldview even more.

It is *Gundam* plastic model fans who are best able to identify with the feelings of other *Gundam* plastic model fans. The growing enthusiasm of fan communities will



IP Metaverse Development

With the objective of being close to fans, for each IP the Bandai Namco Group will develop a metaverse that draws on the IP's worldview. We will aim to maximize IP value, not only by building metaverses that leverage the Group's internal know-how but also by collaborating openly with partners, connecting with fans around the world, and working together to broaden the possibilities of IP.



All regions and businesses are involved with *Gundam*, and the first step is the *Gundam* Metaverse. This IP metaverse will not entail the creation of a large space that is complete from the beginning. Rather, in the Space Colony, a virtual space, we will launch colonies for each category, such as anime, *Gundam* plastic models, games, and music. These will be linked with the Bandai Namco ID, which will be an account shared throughout the Group. We will build the Data Universe as a framework for the integrated management of the Group's fan data.

likely lead to the creation of new initiatives that had not previously been imagined. We need to take these trends seriously, and we will strive to have the Unit work together and link them to the creation of new products and services.

Targeting the Achievement of the Mid-term Plan

Udagawa The Mid-term Vision of the Entertainment Unit is the same as the Group's Mid-term Vision, "Connect with Fans." We are advancing businesses that deliver products and services directly to fans.

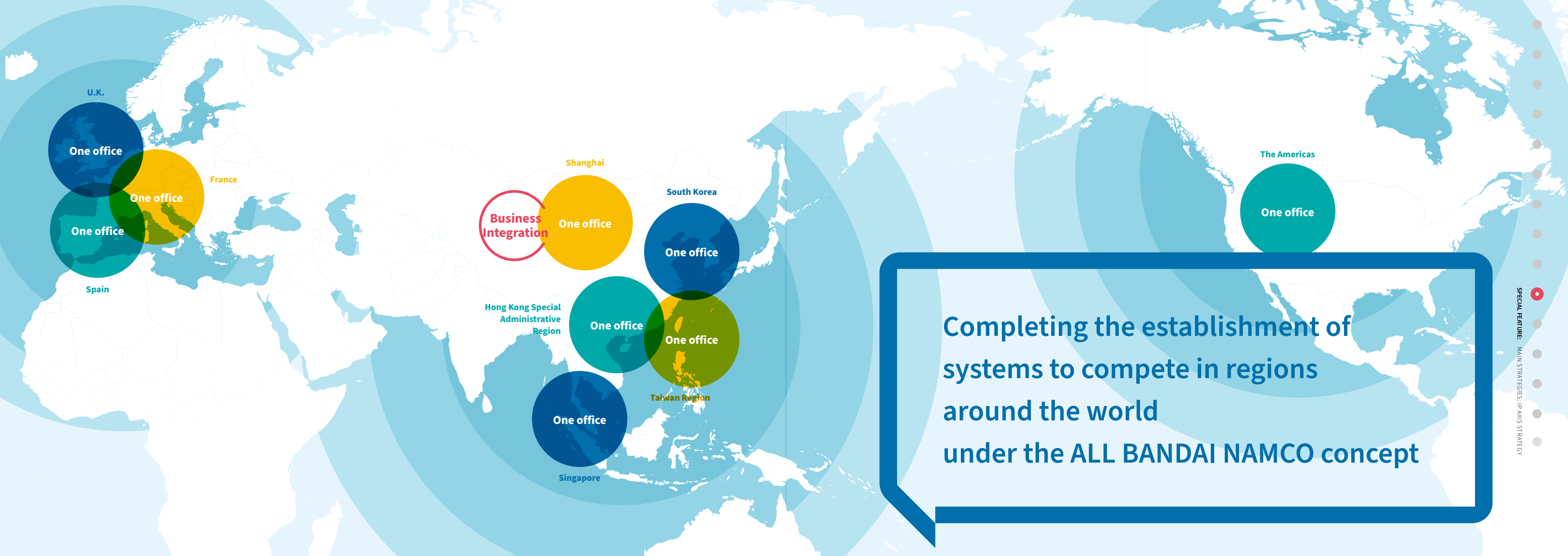
That is why connecting with fans is important, and is a point that we need to focus on. Targeting business growth on a global basis, we need to increase the quality of connections with fans under the ALL BANDAI NAMCO concept. This concept is spreading beyond the Unit to reach the entire Bandai Namco Group. To achieve this increase in the quality of connections, I would like to support the transition to the implementation of detailed measures.

Fujiwara The Unit reorganization clarified the mission of each Unit. I would like to steadily fulfill the mission in the businesses that the two of us are working in, in other

words, to maximize IP value by providing what fans want in the form of products and services. The fusion of the two businesses does not mean that we will be closed up within the Entertainment Unit. Rather, we will collaborate with the IP Production Unit and the Amusement Unit and move forward with the Group working together.

Udagawa The fact that we are rolling out products and services in both the digital and physical businesses is a major competitive advantage for the Group. It is a unique strength. The Group has a variety of methods of expression. If everyone at the Group can understand these methods, freely combine them, and roll out development initiatives, then the Group will be able to record significant growth. I would like to see the Group leverage its wide range of resources, discuss the best methods for fans, and build a system that can achieve the plan.

Fujiwara The Purpose has been formulated, and the Mid-term Plan has been started. What we need to do has been settled. Now, we just have to do it. With a sense of pride and responsibility at being a member of the Bandai Namco Group, we will pursue the IP axis strategy from a Groupwide perspective. We will work together under the ALL BANDAI NAMCO concept and do our utmost so that we can leverage the Group's strengths.



Completing the establishment of systems to compete in regions around the world under the ALL BANDAI NAMCO concept

IP Axis Strategy **IP×World** Connecting the world through IP

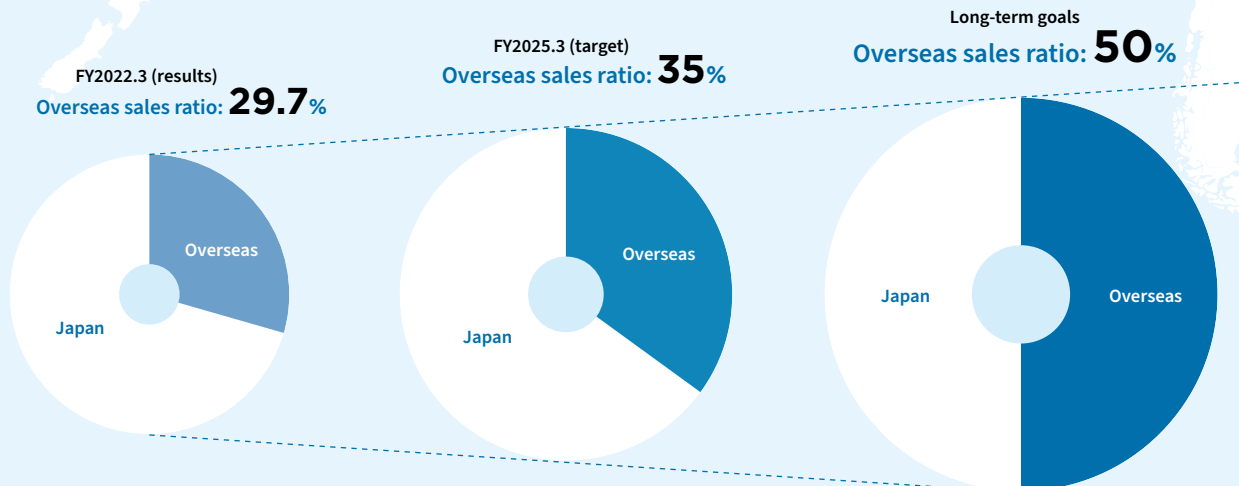
Building businesses under the ALL BANDAI NAMCO concept

For the Bandai Namco Group, overseas business is an area where we can expect further growth. Up to this point, individual businesses have conducted their own development initiatives, but for growth in the future it will be necessary to implement initiatives under the ALL BANDAI NAMCO concept. In advance of the current Mid-term Plan, in each region we have combined business companies, consolidated bases, and established systems to compete under the ALL BANDAI NAMCO concept. Moving into the same office strengthens information exchange and collaboration and facilitates further cooperation among businesses.

The North American and Chinese markets have been positioned as key markets, and in the future in each of these markets we will aim to approximately double sales from the current level.

Looking at overseas business as a whole, during the period of the Mid-term Plan we will aim to increase the overseas sales ratio from 29.7% in FY2022.3 to 35% in FY2025.3. Furthermore, we will strive to increase it to 50% as soon as possible.

➡ Aiming for an overseas sales ratio of 35% during the period of the Mid-term Plan



➔ Building businesses under the ALL BANDAI NAMCO concept

Progress in North America under the ALL BANDAI NAMCO concept

Aiming for further growth through consolidation in the Toys and Hobby Business

Transitioning to a New System to Foster Business Growth under the ALL BANDAI NAMCO Concept

Bandai Namco Toys & Collectibles America Inc. (BNTCA) oversees the Toys and Hobby Business in North America. BNTCA was created in April 2022 through the integration of Bandai Namco Collectibles LLC (Bluefin), which principally handled sales,

distribution, and the promotion of products for the mature fan base in online and specialty retail stores, and BANDAI AMERICA INC., which mainly handled sales of toys for younger age groups at mass market retailers. As a result of the integration of these two companies, we can now roll out products to all retail channels, including mass market retailers, specialty stores, and e-commerce sites. In targeting the expansion of the Toys and Hobby Business in the North American market, one of BNTCA's primary missions is to build an optimal, efficient sales strategy.



Steve Fujimura

President and CEO
Bandai Namco Toys & Collectibles America Inc.
Founded Bluefin in 2002. In 2019, became CEO of Bandai Namco Collectibles LLC, which was formed when Bluefin joined the Bandai Namco Group. Moved to current position in April 2022.

North American Market: Business Environment and Future Focus Strategies

Looking at the business environment in the North American market in FY2022.3, ongoing digitalization led to strong expansion for streaming services, and we saw growth in the fan base for IP from Japan, centered on anime. Toys and Hobby Business products and services leveraging established IP, such as *Gundam*, *DRAGON BALL*, and *Tamagotchi*, have recorded tremendous popularity gains in the U.S. market. In particular, the introduction of *Gundam* plastic models at mass market retailers has resulted in strong sales of *Gundam* products. As a result, FY2022.3 North America sales for the Toys and Hobby Business increased by more than 50% year over year.

The current Mid-term Plan includes the Groupwide goal of approximately doubling FY2022.3 sales in North America, and BNTCA will push forward to be a major contributor to the achievement of this goal. To that end, we will not only aim for growth in each business category, such as *Gundam* plastic models, collectible figures, and toys, but also work to realize the main strategies of IP expansion and direct business expansion.

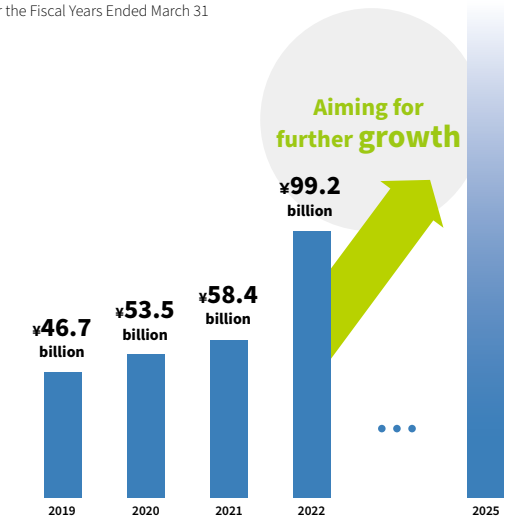
Regarding IP expansion, we significantly grew the *Gundam* fan base through the expanded rollout of *Gundam* plastic models. In preparation for the release of the live-action film that is currently in joint production with LEGENDARY, and to maintain the enthusiasm of *Gundam* fans, it is important to continually implement new promotional measures that provide fans with fun and engaging experiences. Under the current Mid-term Plan, together with Bandai Namco Entertainment America Inc. (BNEA), which handles digital businesses, we will work together to build a solid business foundation for our the *Gundam* business by aggressively investing to expand *Gundam* business in the North American market. The very first large-scale *Gundam* event in the U.S. will debut at an Anime NYC in New York in the fall of 2022. Other activities will include pop-ups at locations around North America, booths at various in-person events, and online events. In addition, we will enhance the lineup of products and services for *DRAGON BALL*, *ONE PIECE*, and *Digimon*, that are already highly popular and roll them out in conjunction with a variety of promotional campaigns.

To expand our direct-to-consumer business, we will further grow our e-commerce site, Premium Bandai USA (P-Bandai), which made a full-scale start in North America in 2020. P-Bandai is an important touchpoint that connects directly with fans across the U.S., and recorded year-on-year growth in sales in FY2022.3. Going forward, P-Bandai has four key growth

strategies: (1) maximizing sales of each item, (2) expanding the product lineup, (3) implementing promotional initiatives through events, etc., and (4) strengthening their agility and flexibility.

Groupwide Sales in the Americas

For the Fiscal Years Ended March 31



Note: Figures are estimates based on management accounting.

Fusing Digital and Physical Elements

Since April 2022, BNEA and BNTCA have shared the new Bandai Namco facility in Irvine, California. This has facilitated advances in information sharing and more effective collaborative efforts between the Digital Business and the Toys and Hobby Business. Additionally, sharing the same building has stirred the creative minds on both sides. Different businesses with different work cultures working in the same office has significant challenges. However, we will overcome these matters, and moving forward we will strive to foster effective, efficient marketing strategy for the U.S. market.

The vision for the current Mid-term Plan is "Connect with Fans." This is an extremely important approach when aiming for growth in North America. BNTCA can connect directly with fans through our e-commerce site, events, and other means. Accordingly, there are areas in which BNTCA can leverage its distinctive strengths. We will strive to create broad, deep, and multifaceted connections with fans by continuing to provide fun, appealing experiences that meet their expectations.

And one last point... personally, one of my ultimate goals is to bring a life-size *Gundam* statue to the U.S.



Sai En

General Manager, Management Planning Department
Bandai Namco Entertainment (Shanghai) Co., Ltd.
In 2015, joined Bandai Namco (Shanghai) Co., Ltd.
(currently, Bandai Namco Entertainment (Shanghai)
Co., Ltd.) Moved to current position in 2022 after
working in the Corporate Department at Bandai
Namco Holdings China Co., Ltd.

➡ **Building businesses under the ALL BANDAI NAMCO concept**

Moving ahead with business in China under the ALL BANDAI NAMCO concept

Creating New Entertainment by Advancing the IP Axis Strategy from a Chinese Viewpoint

Substantial Growth in Business Results in China

In mainland China, the Group is rolling out the Digital, Toys and Hobby, IP Production, and Amusement Businesses under Bandai Namco Holdings China Co., Ltd., a regional holding company. Aiming to promote business under the ALL BANDAI NAMCO concept, in 2019 we consolidated business bases into a single office. In addition, in January 2022 we implemented a company combination for the Digital Business and the Toys and Hobby Business.

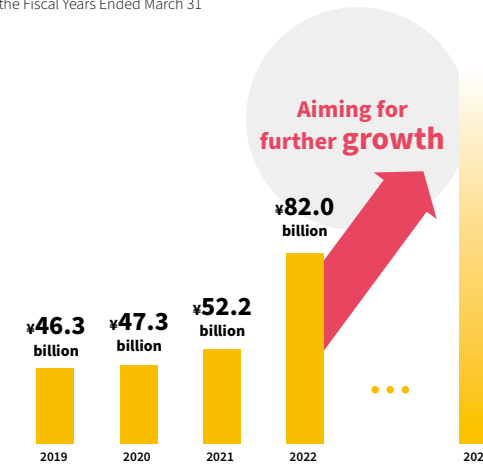
I work in the Management Planning Department at Bandai Namco Entertainment (Shanghai) Co., Ltd. (BNESH), which combines the Digital Business and the Toys and Hobby Business. My job includes resolving management and operational issues and acting as an intermediary between businesses. In addition, I am also involved in supporting business growth

with the creation of IP originating in China and building new business models.

In FY2022.3, in the Digital Business, existing network content titles recorded solid results, and the performance of new titles was favorable. In the Toys and Hobby Business, in conjunction with the installation of a life-sized *Freedom Gundam* statue in Shanghai, we opened the second THE *GUNDAM* BASE flagship shop, which is centered on *Gundam* plastic models, and we held events. Through these types of initiatives, we focused further attention on *Gundam*. Furthermore, contributions to sales growth were made by character lottery products, collectible figures and toy products centered on *Ultraman*. In addition, we aggressively took on the challenge of rolling out products in new categories, such as candy toys, apparel, and cosmetics, as well as China-original products. Consequently, we were able to achieve record-high sales in both the Digital Business and the Toys and Hobby Business.

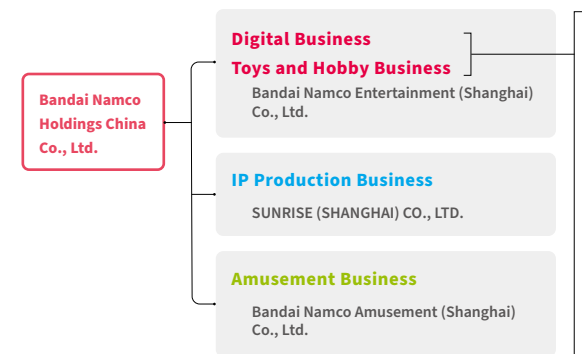
Groupwide Sales in Asia

For the Fiscal Years Ended March 31



Note: Figures are estimates based on management accounting.

Organizational Structure for Operations in China



Advancing the IP Axis Strategy by Fusing Digital and Physical Elements

As a result of the integration of the Digital Business and the Toys and Hobby Business, we were able to multiply the strengths of each business and build a foundation for the creation of new entertainment that is aligned with the characteristics of the Chinese market. For the fans of each business, we will aim to implement measures through collaboration in various services, products, and events and to demonstrate synergy effects.

Looking at specific initiatives by IP, for *Gundam*, which is in-house IP, we will continue to implement measures to grow it into the number one Japan-origin IP in China. In addition, for *PAC-MAN*, which is also in-house IP, in addition to rolling out Group products, such as games and toys, we will aggressively provide licenses to other companies and work to increase awareness of the IP.

In addition, we are also working to create and nurture IP originating in China. Most recently, we produced *VG CAT*, a short animation. This anime was planned by BNESH and produced by our outside partner in China. It was exclusively distributed online by a large Chinese streaming company, and it became a popular product. For example, during the streaming period it earned the number one ranking for short animations. BNESH was able to achieve a certain level of results. One example is *VG CAT Blind Box*, a digital closed box product that we rolled out together with an external partner. When it was placed on sale through a lottery-based measure, more than 600,000 users participated.

Achieving Original Growth with "IP × Business × Region"

For BNESH to grow in the future, it will be necessary for the Digital Business and the Toys and Hobby Business to work together even more closely and for the company to strive to expand its business under the ALL BANDAI NAMCO concept. To that end, I would like to work on initiatives to unify standards and viewpoints, such as the establishment of common KPIs for the Digital Business and the Toys and Hobby Business, the unification of the evaluation systems, and the alignment of viewpoints in management and administration. In addition, I think that it will be important to aggressively implement exchanges of information and opportunities for employees to interact and to build environments for mutual understanding.

Furthermore, aiming for growth in the Chinese market, we will emphasize "IP × business × region" as an important point in our strategy. In addition to the "IP × business" viewpoint, under which we roll out IP worldviews in the optimal products and services, we will also increase the incorporation of regional viewpoints that are unique to China and aim for growth through the multiplication of IP, businesses, and regions. To that end, we will enhance the organizational understanding of local cultures and business practices. In addition, we will create frameworks to actively support in-house startup ventures, and we will enhance internal training systems to nurture the capabilities of young and mid-career employees. Through these types of initiatives, we will work to strengthen organizational capabilities to facilitate active careers for excellent human resources.

There are still a number of challenges that I want to take on. These are to create IPs originating in China and nurture them into hit IPs, to launch new businesses originating in China and contribute to growth in scale of operations, and to realize environments in which the staff members can take on a wide range of challenges and have a sense of achievement. I am determined to accomplish these challenges in order to enhance the presence of the Group's business operations in China.

MESSAGE

➡ Cultivating human resources who demonstrate the distinctive strengths of the Bandai Namco Group

Enhancing the environment to facilitate active participation by diverse human resources in order to realize the Purpose

In accordance with the Purpose, we seek to be a group in which our personnel 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.” We will secure and promote human resources without regard to whether they are new graduates or mid-career hires, their gender, or their nationality. In addition, we will further focus resources on the establishment of systems and environments that enable diverse human resources to actively participate and to work in a manner that is healthy in body and mind.

Basic Approach to Personnel Strategy

In the personnel strategy, our basic policy is to link the entire process of formulating and implementing various measures to the realization of the Purpose. While also including the demands of society, more than anything else we will work to formulate a personnel strategy that reflects the characteristics of the Bandai Namco Group.

Under the current Mid-term Plan, we will strive to develop diverse human resources in a variety of fields, such as marketing personnel who will advance the IP axis strategy on a global basis, creators and engineers who will be involved with the creation of IP and the development of products and services, and personnel in administrative units who will be the foundation for advancing management strategies and business strategies. The key words will be “same spirit, diverse talents,” which we have emphasized for many years. We believe that it is important to develop human resources with abundant individuality and diverse talents who will lead the Group forward toward common goals.

The Concept of “Same Spirit, Diverse Talents” in Diversity and Inclusion

The Bandai Namco Group provides a diverse range of IP to fans around the world in the form of various products and services. To advance our business operations, we ourselves must also be diverse. Accordingly, we have emphasized the individuality and talents of each person, without regard to such individual characteristics as gender or nationality. This is the concept of “same spirit, diverse talents,” which has already permeated deeply throughout the Group.

The diversification of attributes leads to expanded opportunities to secure and nurture varied talents. As a result of initiatives that we have implemented, the ratio of female managers in business management companies increased from 17.4% at the end of FY2018.3 to 21.3% at the end of FY2022.3. In addition, we are also actively implementing mid-career hires in line with business needs. In FY2022.3, we had 80 mid-career hires (this is the total for business management companies. There were 137 new graduate hires in the same period). Furthermore, we are advancing the promotion of foreign nationals to core human resources, and as of the end of FY2022.3, foreign nationals accounted for 15.5% of the directors in Group companies (calculated based on the total number of directors in all Group companies). Going forward, we will continue to advance the establishment of environments in which employees can have active careers while making the most of their individual characteristics.

Cultivating a Sense of Unity under the ALL BANDAI NAMCO concept and Nurturing Global Human Resources

The ALL BANDAI NAMCO concept is indispensable for the global promotion of the IP axis strategy. Under the ALL BANDAI NAMCO concept, we strive to transcend the barriers between regions and Units and work together as a unified Group. As a major precondition for these efforts, it is important that each employee accepts and respects the individual differences of others. In accordance with this approach, “establishment of work environments that facilitate mutual respect” was set as one of the Bandai Namco Group’s material issues. Through such means as e-learning, we are implementing educational activities to foster a deeper understanding of human rights and different cultures. In addition, we plan to develop employee engagement-related surveys, which have been implemented by individual companies, into Groupwide measures. Enhancing workplace environments and increasing employee engagement on a Groupwide basis will contribute to the Group’s development.

In securing and developing global human resources, we will not limit ourselves to measures implemented on a regional basis. Rather, we think that it is necessary to more aggressively implement training and personnel rotations that extend across regions, and we are advancing a readjustment of the Groupwide personnel portfolio, with the Group Administrative Headquarters serving as the coordinator. In addition, by creating frameworks for the collection of personnel data on a global basis, and leveraging this data in global personnel management, we will work to foster effective utilization of human resources.

We recently started the Global Next-Generation Managers Development Program. This is an enhanced version of the Global Training that we have been implementing on a worldwide basis. We are aiming to develop human resources who will be able to handle the Bandai Namco Group’s future business activities around the world. It was first held in FY2022.3, in an online format for human resources in the Asian region, including Japan. Going forward, while tracking the

COVID-19 circumstances, we will expand the scope of people the training is offered to, and we will consider implementing it in venues where people can meet directly and share time together.

Global Next-Generation Managers Development Program

This training was started in FY2022.3 for personnel who are expected to support the Group in the future. The objectives are to enhance awareness, offer opportunities to build personal connections, and provide venues to consider the future of the Group. It is offered to people selected from each Unit and region, and positioned as a core learning initiative involving studying the Group’s current circumstances and thinking about the Group’s future. The principal content involves utilizing group-based work to foster consideration of specific action plans regarding the Group’s future.

Targeting the Permeation of the Purpose and the Growth of the Group

In accordance with the Purpose, we would like all employees to contribute to society with a sense of pride and responsibility about being part of the Bandai Namco Group. In various training programs, we are creating opportunities for employees to consider and exchange opinions about the Purpose. This has already been implemented in the Group’s combined new manager training, new graduate employee training, and training programs by years of experience, such as training for people in their fifth year since joining the Group. We would like to see everyone deepen their understanding of the Purpose and link it to their work activities.

The mission of the Group Administrative Headquarters is to establish foundations for the connection of individual growth to Company development, and environments in which all of the Group’s human resources can have active careers. By emphasizing Bandai Namco’s unique strengths, which are firmly established in the Group, and broadening the diversity of talent, we will develop human resources who continue to take on challenges around the world.



Takashi Kaneko

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

Joined NAMCO LIMITED (currently, Bandai Namco Entertainment Inc.) as a mid-career hire in 1998. Worked in Group administration, centered on accounting and finance. Moved to current position in April 2022.

Koji Hamano

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

Joined NAMCO LIMITED (currently, Bandai Namco Entertainment Inc.) in 1996. Moved to current position after working in amusement facility operations and in personnel at various companies.

HUMAN RESOURCES INITIATIVES

The Bandai Namco Group has positioned the personnel strategy as a main strategy in the Mid-term Plan and is working to develop diverse human resources in a variety of fields. In addition, the Group has announced “establishment of work environments that facilitate mutual respect” as one of its material issues. (For further information, please refer to pages 60 to 61.) We aim to support sustained development for society and the Company 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 Group.

Initiatives to Support 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.



This team received the 2021 Best Innovator Award at the Bandai Namco Awards, a Groupwide recognition system

Addressing Diverse Working Styles

The Group is operating a variety of systems to achieve work-life balance, such as systems to support child-rearing with peace of mind. Other initiatives include the introduction of a system to provide congratulatory money for childbirth, the provision of facilities to nursery schools certified by Tokyo Prefecture, and the introduction of satellite offices. Furthermore, we have introduced systems that address family circumstances, including not only child-rearing but also family nursing and caregiving, etc.

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 Inc., BANDAI CO., LTD., 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-day 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 outpatient care at medical facilities due to disease

Note: Systems used by Group companies are different.

Initiatives to Facilitate Active Participation by Diverse Human Resources

The Bandai Namco Group is working to create environments in which diverse human resources with abundant individuality can work energetically. In regard to securing human resources, we have announced a policy of striving to “secure and appoint high quality human resources, irrespective of whether they are new graduates or mid-career hires, and regardless of gender, age group, or nationalities.” In addition, we systematically implement training programs in line with a variety of ranks and characteristics, from newly hired employees to managers.



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

Examples of Groupwide Development Programs

- Providing new officer training, with the objective of developing the next generation of leaders
- Training by years with the Company and by position (first year, fifth year, new manager training)
- The Global Next-Generation Managers Development Program is aimed at developing human resources who will support the Group in the future
- Exchange Initiatives for Young Employees, which aim to build an understanding of operations and personal contacts within the Group through human resources rotations for young employees at Group companies

Initiatives to Promote Active Careers for Diverse Human Resources

- Establishment of special subsidiary for promoting the employment of people with disabilities
- Employment of seniors (hiring people who are past the retirement age but want to continue working as senior employees; introducing a retirement age of 65 in certain companies; framework for the active employment of seniors/experienced employees)

Data on Diversity at the Bandai Namco Group (FY2022.3)

Gender ratio for full-time, permanent employees*



* Total for five business management companies

Gender ratio for managers*



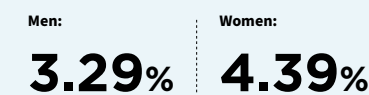
* Total for five business management companies

Gender ratio for new hires*



* Total for five business management companies

Job separation rate (men and women)*



* Total for five business management companies. Number of voluntarily retiring employees in FY2022.3 (excluding permanent transfers to another company and those retiring at retirement age) divided by the number of full-time, permanent employees as of April 1, 2021

Number of mid-career hires*



* Total for five business management companies

Number of non-Japanese employees*



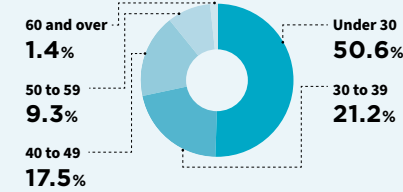
* Total for five business management companies

Employment rate for people with disabilities*



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

Age structure of workforce*



* Total for five business management companies

Inclusion in indexes

Included as a constituent stock in the MSCI Japan Empowering Women Index (WIN),

which is composed of shares of companies with superior gender diversity.

Initiatives for New Working Styles That Draw On Bandai Namco's Distinctive Characteristics

Initiatives for Working While Remaining Healthy in Body and Mind

We are implementing a variety of initiatives so that employees can work while remaining healthy in body and mind. As countermeasures to long work hours, we have taken such steps as establishing a limit for overtime hours and implementing

working hour intervals. Moreover, as a mental health measure, we have implemented stress checks and established a system for personal consultations with industrial physicians.

Initiatives to Prevent the Spread of the COVID-19 Infection

From the perspective of preventing the spread of COVID-19, the Bandai Namco Group continues to conduct its business activities while implementing necessary safety measures in accordance with the guidelines of national governments and local governments. We are strengthening the communications environment; taking steps to establish a work environment that facilitates remote participation, such as for meetings and training; and promoting teleworking. In addition, we are implementing a variety of initiatives to prevent the spread of COVID-19.

Moreover, we have approached the changes resulting from COVID-19 as opportunities to transition to new working styles, and we have established the Bandai Namco Group New Working Style Guidelines. These guidelines recommend such measures as advancing work classification and efficiency; enhancing work-life balance; creating new forms of communication that integrate online and real elements; introducing flexible working styles, such as working from home and rotation work; effectively using satellite offices; and moving away from the use of paper.

Initiatives That Use Stock

We introduced an employee stock ownership plan with the objectives of encouraging employees to aim to raise the corporate value of the entire Group from the perspective of shareholders, as well as cultivating a sense of unity within the Group. In addition, to further increase employee participation in management, over the period from FY2022.3 to FY2025.3, which will be the final year of the Mid-term Plan, Group employees in

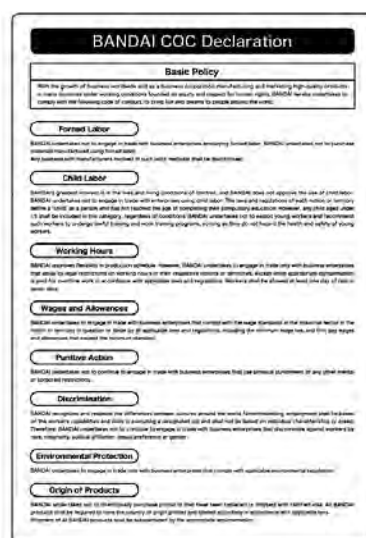
Japan who contribute a set amount or more each month will receive special incentive shares in accordance with each year's operating profit. Moreover, proposal briefings are provided to employee shareholders to explain the importance of the shareholders' meetings and the details of proposals. (For FY2021.3 and FY2022.3, there is an explanatory video.)

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 (180 plants in FY2022.3). 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, 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.



BANDAI COC Declaration

Initiatives to Develop Human Resources Aligned with Business Characteristics

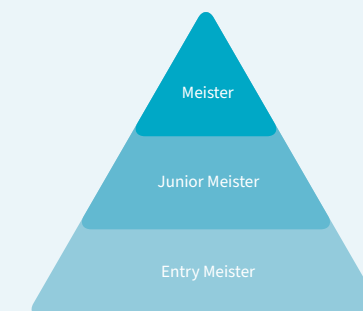
TOPIC
01

Toys and Hobby Business

Meister System—A Mission to Hand Down Skills in Manufacturing

At the BANDAI Hobby Center, which produces plastic models, BANDAI SPIRITS CO., LTD. is working to enhance and pass down plastic model production skills in order to continue to meet customer expectations and increase the value of plastic models. In the production of plastic models, deep knowledge and experience in manufacturing processes are indispensable. In order to continually hand down these skills, BANDAI SPIRITS has introduced the Meister System.

The Meister System was started in 2012. One aim of the system is to recognize employees who pursue product quality and have developed knowledge and outstanding skills. Other aims include developing successors and further enhancing skills at the BANDAI Hobby Center. Employees are recognized as Meisters after fulfilling the requirements and going through an interview process, and these employees then work to achieve the objectives described above. There are three levels of Meisters—Meister, Junior Meister, and Entry Meister. From 2019, we established the Matured Meister system to provide further active work opportunities for Meisters who have reached retirement age and to promote the handing down of skills. In these ways, we are working to further enhance and improve the system.



Meister System

TOPIC
02

IP Production Business

Developing the Creators Who Will Support the Next Generation of Animations

Bandai Namco Filmworks Inc. has established the SUNRISE Drawing Academy and the SUNRISE Art Academy, which aim to develop the human resources who will support the next generation of animation. Under this system, each of these academies selects students from the applications received in accordance with the guidelines. These students are then provided training related to animation drawing and art. The aim is for the students to acquire skills and knowledge that will enable them to actively contribute to actual work after six months to a year of practical training, with working animators, art directors, and art staff serving as instructors. The training is provided for free, and we have established a system for grants of ¥100,000 per month so that students can concentrate on acquiring skills. (There are conditions for these payments.) Students who pass the graduation exam are given the opportunity to work as staff members at Bandai Namco Filmworks after graduation. The graduates include people who are working in such positions as director and animation director for products made by companies in the IP Production Unit, such as the *Mobile Suit Gundam* series, the *Love Live!* series, and the *Aikatsu!* series. We have also opened the Technical Directing School and the Scenario School, where highly experienced technical directors and well-known scriptwriters give lectures to employees. Through these initiatives, we are working to build foundations for the industry to support the continued provision in the future of high-quality animation products, and to develop the creators who will support the Group's future IP creation.



The SUNRISE Drawing Academy



The SUNRISE Art Academy

DIALOGUE

➡ Sustainability Activities—Connecting to a Smile into the Future

Deepening connections inside and outside the Group, implementing sustainability activities that leverage our distinctive strengths

Sustainability, which is one of the main strategies in the Mid-term Plan, is extremely significant in relation to the Purpose. Two members of the Group who work in the promotion of the Group's sustainability activities met to discuss the status of a series of initiatives and future-focused issues from their perspectives as CSO and a frontline executive.

Yuji Asako Director and CSO (Chief Sustainability Officer) Bandai Namco Holdings Inc.

➡ Joined BANDAI CO., LTD., in 1986. Since 2005, has worked in internal and external communications at Bandai Namco Holdings Inc., including IR, PR, SR, and other areas. In addition, is responsible for sustainability activities.

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

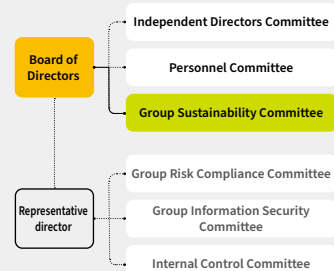
➡ Joined BANDAI CO., LTD., in 1992. After working in toys, apparel, general affairs, and other areas, became director at Bandai Namco Business Arc Inc. in 2021 (current position). Became general manager of the Sustainability Management Department in April 2022.

Transition from CSR to Sustainability—Background and Principal Missions

Asako To address the demands of society and realize the Purpose, the Group has redefined the activities that it has implemented as corporate social responsibility (CSR) initiatives. These are now defined as sustainability activities that target the realization of a sustainable society, and they have been incorporated into the current Mid-term Plan. In addition, the Group CSR Committee, which reported directly to the president, has been reorganized into the Group Sustainability Committee, which is

The Group CSR Committee has been renamed the Group Sustainability Committee and upgraded to a committee that is directly under the Board of Directors

From April 2022



under the Board of Directors. Participants in the committee include full-time directors of the holding company and presidents and representative directors of business management companies. The committee aims to make prompt decisions and implement measures reflecting cooperation between management and operations. Furthermore, sustainability-related evaluation has been added to the officer remuneration system from FY2023.3. This has clarified the responsibility of leaders in this area. My role as CSO is to oversee this series of initiatives and make sure that they are on track.

Tsuyuki The Sustainability Management Department, which I am responsible for, was established in April 2022. In addition to advancing initiatives related to material issues (important themes, for further information please refer to pages 60 to 61), We cover a wide range of fields that are necessary for increasing the Group's sustainability, such as crisis management, information security, and compliance. We are providing support for the formulation of Group policies in each field and the establishment of road maps and KPIs for each business company. In accordance with the instructions of the CSO, I am working as a liaison between management and the front lines.

Current Status of Initiatives

Asako In advance of the start of the current Mid-term Plan, we once again considered the appropriateness of the important CSR themes that we had been implementing, and we specified material issues, which are important themes that we must address on a priority basis. We are now in the phase of spreading throughout the Group the material issues specified in the current Mid-term Plan and advancing initiatives. The Independent Directors Committee, which is composed only of independent outside directors, has provided the opinion that there is a need to further deepen discussion about sustainability at meetings of the Board of Directors. With consideration for that opinion, at an off-site meeting in which all directors participated, we are taking steps to deepen deliberations, such as making sustainability one of the themes. Furthermore, on the front lines, we will thoroughly reconsider current systems and initiatives and quickly establish initiatives to address issues. We will also further strengthen educational activities for the human resources who implement activities.

Tsuyuki I think that fostering awareness about sustainability activities is an urgent issue. We distributed a sustainability-related questionnaire to Group employees. The results showed that employees are highly interested in the SDGs and sustainability activities using IP, etc. On the other hand, we also realize that there are differences in employee awareness between businesses, companies, and regions. I think we should carefully reflect on this employee feedback, strengthen educational activities within the Group, and strive to enhance awareness on a Groupwide basis.

Asako IP is a strong advantage for the Group in the implementation of sustainability activities. The *Gunpla* Recycling Project (for further information please refer to page 62) is a good example. Activities based on the use of IP and connections with fans are extremely important from the perspective of realizing the Purpose. Going forward, we will highlight this example throughout the Group and implement various measures that utilize IP.

Addressing Climate Change

Asako The Bandai Namco Group is currently working aggressively to reduce Scope 1* and Scope 2* CO₂ emissions world wide. The Group has a wide range of businesses and engages in transactions with an extremely large number of suppliers. Accordingly, addressing Scope 3* will be an issue for the future. However, we recognize that reducing CO₂ emissions is an important duty of companies, and accordingly we plan to implement activities to calculate and reduce these emissions. Addressing climate change will be essential in order to make the Group's operations sustainable. Going forward, we will approach this issue with a sense of mission.

* 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: Emissions of other companies related to business activities

Sustainability throughout the Group

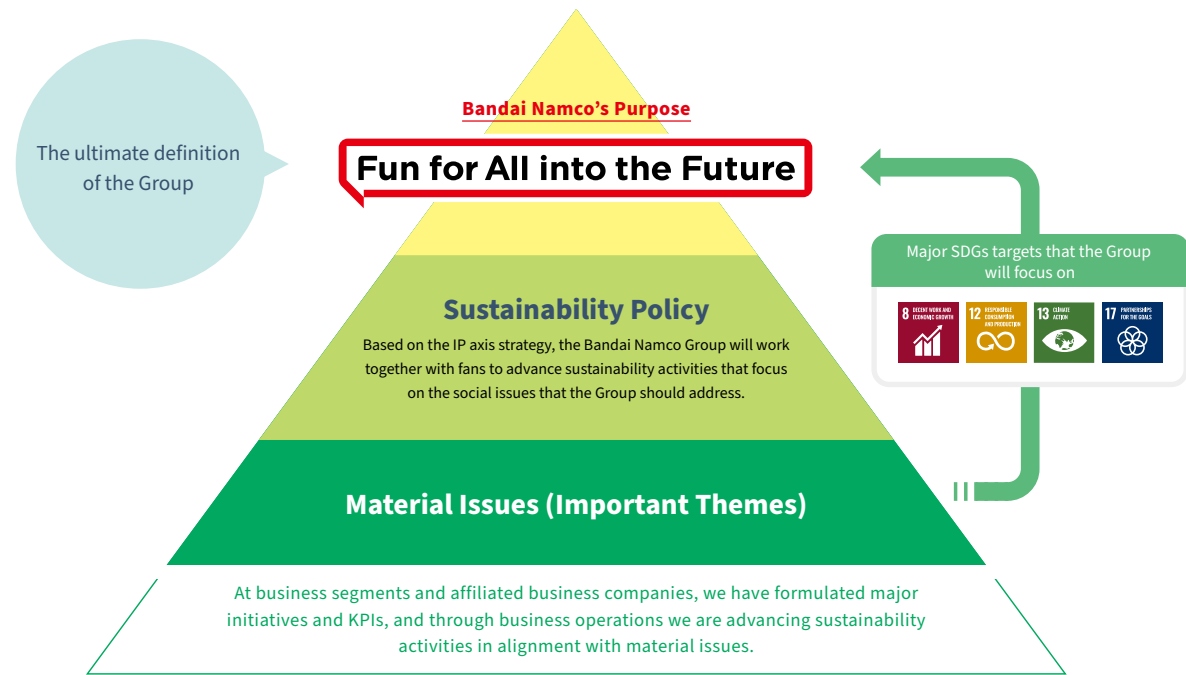
Tsuyuki For the Sustainability Management Department, the most important issues right now are increasing the Group's

awareness and creating environments that facilitate the implementation of activities while connecting with Group companies. This is because connections extending across the Group make it possible to transition to activities that are more effective. We will work to firmly fulfill our own role so that sustainability can be pursued on a Groupwide basis from a comprehensive perspective, including risk management, information security, and compliance.

Asako The business companies, which actually implement and manage operations, and the holding company, which works to raise the level of the entire Group, are both essential for Bandai Namco. Through solid collaboration between the business companies and the holding company, we can make great strides with our sustainability initiatives. Moving forward, we will enhance those frameworks and steadily advance initiatives targeting the major area of realizing a sustainable society. We will always return to our Purpose—connecting and working together to create things—and connect in an open manner with diverse stakeholders inside and outside the Company. Together with our stakeholders, we will strive to make progress toward a brighter future.

SUSTAINABILITY MANAGEMENT

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 that 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 implementing activities.



Sustainability Promotion System

The Bandai Namco Group has established the Group Sustainability Committee, which comprises the Company’s full-time directors, the presidents of business management companies, and others. The committee is chaired by the Company’s president and representative director. In this way, the Group is advancing sustainability activities rapidly and in a manner that is integrated with operations. In addition, in accordance with the idea that the promotion of sustainability activities is an important initiative from the perspective of management strategy, the status of activities is periodically reported to the Company’s Board of Directors.

Moreover, we have established the Group Sustainability Subcommittee, which is a subordinate organization under the

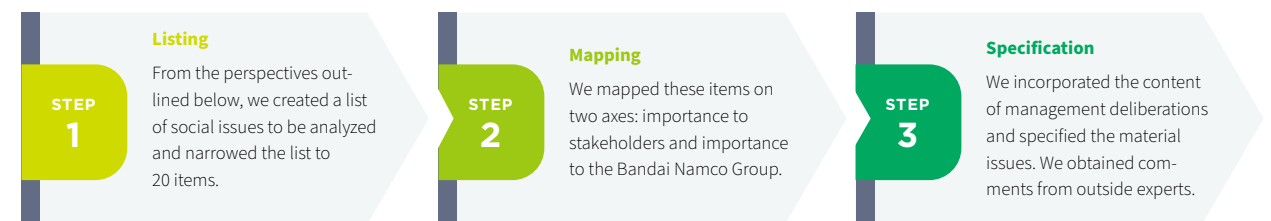
Group Sustainability Committee. The manager of the Group Sustainability Subcommittee is a director of Bandai Namco Holdings with related responsibilities (chief sustainability officer), and the participants include the people in charge of sustainability at each business management company and at major affiliated business companies. The subcommittee’s activities include sharing the status of progress with initiatives that address material issues in each business, exchanging information, and discussing various issues. The specific measures formulated by the Group Sustainability Subcommittee are implemented after being discussed by the Group Sustainability Committee.



Specification of material issues

Aiming to enhance the effectiveness of CSR activities, since 2010 the Group has taken steps to address the Bandai Namco Group’s Important CSR Themes, which have been periodically reviewed. In FY2022.3, with consideration for recent changes in the business environment as well as the expanding expectations and demands of communities, we implemented a revision of CSR activities with the objective of developing them into sustainability activities in order to fulfill our responsibility in regard to the realization of

a sustainable world as a member of society. In that process, we specified the Group’s material issues (reviewed the appropriateness of important CSR themes) based on the Bandai Namco Group Sustainability Policy. Since April 2022, based on the specified material issues, we have been working to establish targets and implement initiatives. The Group’s material issues were decided through the process shown below.



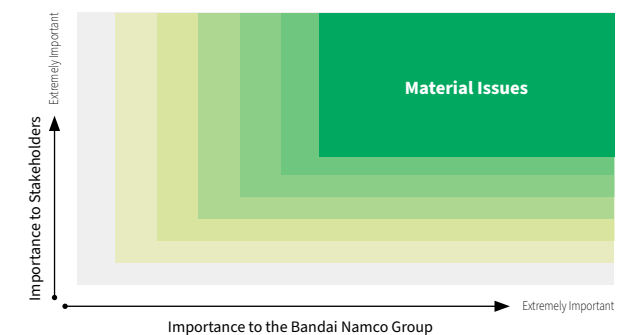
Perspectives that are emphasized during specification/verification

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



➔ 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.

Initiatives to Reduce CO₂ Emissions

The Bandai Namco Group is working to reduce CO₂ emissions and has set objectives for the reduction of CO₂ emissions each year in each business Unit. As a result, the Group's overall emissions in FY2022.3 were 52,016 t-CO₂, a reduction of 10.6% in comparison with FY2020.3 (reduction of 29.7% in comparison with FY2014.3).

As initiatives targeting decarbonization, in certain buildings in which Group companies are occupants, nearly all of the electricity used has been switched to electricity from renewable energy sources. In addition, GUNDAM FACTORY YOKOHAMA, the facility that is displaying the Moving Gundam, switched to renewable energy for the power used to exhibit the moving Gundam. In addition, in collaboration with the commercial facilities that house our

amusement facilities, we are successively switching to renewable energy. We are also implementing energy-saving initiatives on a Groupwide basis, such as increasing operational efficiency at plants, aggressively utilizing LEDs at events and amusement facilities, and promoting eco-driving at logistics subsidiaries.



GUNDAM FACTORY YOKOHAMA

Reducing Materials Usage in Packaging and Containers

We are working to reduce materials used in, and promote recycling of, packaging and containers. For example, regarding the capsule material for Gashapon capsule toys, in 2013, BANDAI CO., LTD., introduced the "MONO capsule," which is approximately 60% of the weight of previous capsules. This was achieved through the use of a single material and a reduction in the amount of plastic used. Currently, we have shifted to lighter models for nearly all capsule containers. Moreover, from June 2022 we introduced the "MAP capsule," which used paper as its primary raw material. With this capsule, we can reduce

greenhouse gas emissions in the processes from manufacturing to incineration by approximately 30%, and we plan to expand its use going forward.

In addition, BANDAI SPIRITS CO., LTD., is actively switching from plastic blister packaging to cardboard packaging for its character lottery products.



MAP capsule

Expanding Recycling

In April 2021, we started the Gunpla Recycling Project, which is a recycling initiative implemented together with fans. At approximately 200 directly operated amusement facilities, we are collecting Gundam plastic model runners (part of the plastic model framework) from fans. The collected runners are combined with the plastic leftover from the production process. 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. In FY2022.3, the first year, we succeeded in collecting more than 11 tons of runners, exceeding our annual

target. Also, for Gashapon, we are working to collect empty capsules from stores, and in FY2022.3 we collected approximately 20 tons of capsules. The empty capsules that are collected are recycled and used for such applications as recycled eco-capsules.



Gundam plastic model runner collection box

COLUMN

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

Under our sustainability promotion system, following deliberation and consideration by the Group Sustainability Committee, which is led by the president and representative director, reports are made to the Board of Directors, which handles supervision.

Strategy

In accordance with the Bandai Namco Group Sustainability Policy (page 60), we established targets regarding decarbonization. In setting targets, at meetings of the Group CSR Committee (currently, 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 conjunction with the formulation of the Mid-term Plan, which started from April 2022, we formulate and implement more specific measures to achieve our targets. Based on the transition risks under the 2°C scenario and the physical risks under the 4°C scenario, we are conducting the following analyses regarding the Group's 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
- Higher costs due to the introduction of new technologies, investment in R&D, or capital investment
- 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
- 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 and consideration by the Group Sustainability Committee, the Group formulates and implements various measures. Furthermore, in regard to energy-related emissions of carbon dioxide, 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. The status of reductions and the results of analyses are discussed by the Group Sustainability Committee, and then reports are made to the Board of Directors, which handles supervision.

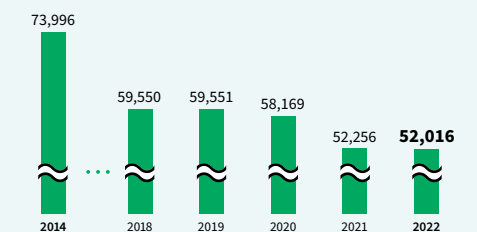
* Each year, the calculated environmental data is verified and reviewed by Bureau Veritas Japan Co., Ltd., a third-party institution. The results are made available on our website as an independent assurance report.

Bandai Namco Group CO₂ emissions

For the Fiscal Years Ended March 31

52,016 t-CO₂

Vs. FY2020.3: reduction of 10.6% (vs. FY2014.3: reduction of 29.7%)



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 carbon dioxide emissions at Group business sites (offices, own plants, directly operated amusement facilities, etc.) to net zero

Mid-term target

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

Main initiatives

Further promotion of energy-saving measures and introduction of renewable energy, etc.

Recommendations by 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.

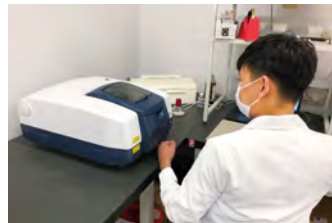
➔ Provision of appropriate products and services

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 Security and Safety

For each product, the Bandai Namco Group anticipates misuse by children and a wide range of customer needs and is working to further enhance safety management systems. As one part of those initiatives, in addition to toy safety standards established by the Japan Toy Association (ST Standards), BANDAI CO., LTD., has also established original quality standards for approximately 260 items in three major categories: safety, performance, and labeling/instructions. In regard to the safety of materials, we conduct analysis and inspections, both in-house and through third-party inspection institutions, in order to confirm that the products do not include poisonous heavy metals or regulated chemical substances that have the potential to harm the human body. We implement new product inspections to confirm these product specifications. In addition, when manufactured products are

shipped from the plant, we implement sampling inspections, and confirm that products have been manufactured to the determined specifications. BANDAI CO., LTD. has received the METI Minister's Award, the



Fourier transform infrared spectrophotometer: Determining the presence or absence of regulated chemical substances that have the potential to harm the human body

highest award, in the Large Manufacturer and Importer Category of the Awards for Best Contributors to Product Safety, which are sponsored by the Ministry of Economy, Trade and Industry (METI). We have received the award three times—in 2008, 2012, and 2015—and accordingly we have been certified as a Product Safety Contributor Gold Company. After five years had passed, we were certified under a renewal examination, and a star symbol was added to the Product Safety Contributor Gold Company logo.

In addition, at Bandai Namco Entertainment Inc., we have formulated internal regulations and guidelines for game production. These are periodically reevaluated and continually applied. In this way, we are working to see that customers can enjoy games with peace of mind.

Award Results Related to Product Safety

Best Contributors to Product Safety Awards program, sponsored by the METI

Certified as a Product Safety Contributor Gold Company

BANDAI CO., LTD.



Security and Safety in 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. For example, at all facilities Bandai Namco Amusement Inc. implements safety checks for building structure, electricity, fire prevention, cabinets, installed play equipment, etc. In addition, with the objective of cultivating places for wholesome fun, we are promoting the acquisition of AOU Youth Advisor certification, for those with specialized knowledge and experience in youth development activities.



Inspection of electrical equipment at directly operated amusement facility

Results in FY2022.3

Number of checks/reviews related to facility safety*

Facility safety checks
233 facilities

Play equipment checks
44 locations

* Results for Bandai Namco Amusement Inc.

Implementing a Variety of Audits

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.

We are implementing audits at all final packaging plants that make products for BANDAI CO., LTD. or BANDAI SPIRITS CO., LTD. For example, we are implementing BANDAI Factory Audits (BFAs), which combine quality audits and Code of Conduct (COC) audits. (Further information about BFAs is available on page 56.)

Furthermore, BANDAI (SHENZHEN) CO., LTD., which handles production management for core products for Europe and North America, is conducting transactions with plants that have received certification under the ICTI Ethical Toy Program, which is a unified standard for toy manufacturers from the International Council of Toy Industries (ICTI). (Looking at factories with which BANDAI (SHENZHEN) implemented transactions in FY2022.3, all primary factories for products for Europe and North America had received certification.)

In addition, when it starts to do business with a supplier, Bandai Namco Amusement Inc. implements a CSR Procurement Questionnaire related to seven major items—overall CSR; human rights (prevention of forced labor, discrimination, harassment, etc.); safety (work environment, emergency response, etc.); the environment (management of chemical substances in products, waste management, etc.); fair trade and ethics; quality and safety;

and information security. Bandai Namco Amusement only conducts business with suppliers that are not engaged in illegal activity. Furthermore, audits of plant line production management systems, etc., are conducted at amusement machine assembly plants that are starting a new transaction relationship with Bandai Namco Amusement. (No new transactions in FY2022.3.)

Results in FY2022.3

Number of BANDAI Factory Audits implemented

180 companies

Notes: Implemented at all suppliers subject to audits
Results for BANDAI CO., LTD.



BFA

Initiatives in Cooperation with Suppliers

BANDAI CO., LTD., which conducts business with a large number of suppliers, holds supplier conferences every year.* At these conferences, we share information about human rights and labor standards that are called for around the world, as well as production environment safety standards. Furthermore, BANDAI CO., LTD., has established the BANDAI Supplier Awards, which recognize suppliers that maintain high levels of performance in regard to evaluation indicators. We are working together with suppliers to enhance compliance with laws, regulations, etc., including the

Code of Conduct, and quality control. In addition, suppliers that receive awards share their know-how by giving lectures to other suppliers about their initiatives on the front lines.*

Moreover, Bandai Namco Entertainment Inc. shares its original guidelines related to ease of play for game users (usability). We are working together with supply chains to provide appropriate products and services.

* Held online in FY2022.3, to prevent the spread of COVID-19

Implementing Timely Training and Collecting and Sharing Information regarding Expression

Each Unit implements a variety of employee training related to ethical expression in order to facilitate the provision of products and services in accordance with appropriate expression. In addition, based on the latest information and past examples, we are

distributing mail magazines to employees and holding study sessions throughout the Group. We are also working to strengthen internal systems used to confirm that expression in products and services is appropriate.

➔ 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 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., are utilizing special specification hologram seals with forgery prevention processing. These seals, which are applied to all TAMASHII NATIONS brand products for the mature fan base, are used to verify that a product is genuine.



Hologram seals are applied to TAMASHII NATIONS products

Implementing Educational Activities Inside and Outside the Company

The 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, 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.

Externally, Bandai Namco Pictures Inc. is cooperating in the production of collaborative educational films: *Sergeant Frog* and *NO MORE Movie Thieves*. The Content Overseas Distribution Association is working as the secretariat office for this project, which establishes countermeasures for pirated versions of manga

and anime. Furthermore, in China, Bandai Namco Holdings China Co., Ltd., together with the Shanghai Library, is holding online lectures with the objective of enhancing IP awareness. In this way, we are working to implement educational activities.



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

Addressing Social Issues through the Active Utilization of IP

The Bandai Namco Group is advancing the *Gundam* Open Innovation project, which aims for the resolution of social issues through the use by external partners of *Gundam*, which is the Group's IP. This project recruits a wide range of new ideas and technologies for forward-looking social development from outside the Group. These ideas and technologies address social issues that are portrayed in *Gundam* visual products, such as population and environmental problems and advances into

space. At this point, we have chosen 13 teams as partners. Going forward, we will promote initiatives with each team as we work toward the realization of future dreams.



GUNDAM Open Innovation

➔ 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.

For further information, please refer to "Personnel Strategy" on pages 54 to 57

➔ Harmonious coexistence with communities

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

Initiatives for Local Communities

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). 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.

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, 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., is implementing activities to protect China's intangible cultural assets. In

2021, in cooperation with the Shanghai Library and the Suzhou Library, we utilized *Gundam* in the implementation of an experience-based event for intangible cultural assets. For this activity, at the 2022 Asia-Pacific Stevie® Awards*, Bandai Namco Holdings China Co., Ltd., won the Gold Stevie® Award in the category of Innovation in Public Enterprise Events.

* Stevie® Awards: Business awards established in 2002 to honor and increase recognition of the achievements of companies/organizations and working professionals around the world that are actively contributing to society



Concluding a sponsorship agreement with a baseball team in North America



Utilizing *Gundam* in activities to protect intangible cultural assets in China

Utilizing IP in Initiatives and Community Support for the Next Generation

Since October 2021, BANDAI SPIRITS CO., LTD., has implemented Gunpla Academia, a free lesson package for students in the upper grades of elementary school. This initiative combines the experience of plastic model assembly with online videos. The activities that are introduced include the enjoyment of manufacturing, the *Gundam* plastic model manufacturing processes, and plastic recycling. By March 2022, this lesson package had been used in 1,400 elementary schools around the country (approximately 90,000 people).

In addition, Bandai Namco Filmworks Inc. is utilizing IP to support community activation measures in Numazu City, Shizuoka Prefecture, which is the setting of the *Love Live! Sunshine!!*

animation. Moreover, members of the idol group Aqours, which appears in the visual product, were selected as PR ambassadors for *Nishiura Mikan*, which are a special product of Numazu City. We are also cooperating in a public transportation train and bus wrapping initiative. In these ways, we are working to use IP to create buzz in the community.



Supporting community activation measures that utilize *Love Live! Sunshine!!*



For more information about sustainability-related initiatives, please visit the Company's website.
Sustainability, Bandai Namco Holdings Inc.: <https://www.bandainamco.co.jp/en/sustainability/index.html>

CORPORATE GOVERNANCE

In order to realize Bandai Namco's Purpose, 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

1 Year or Less

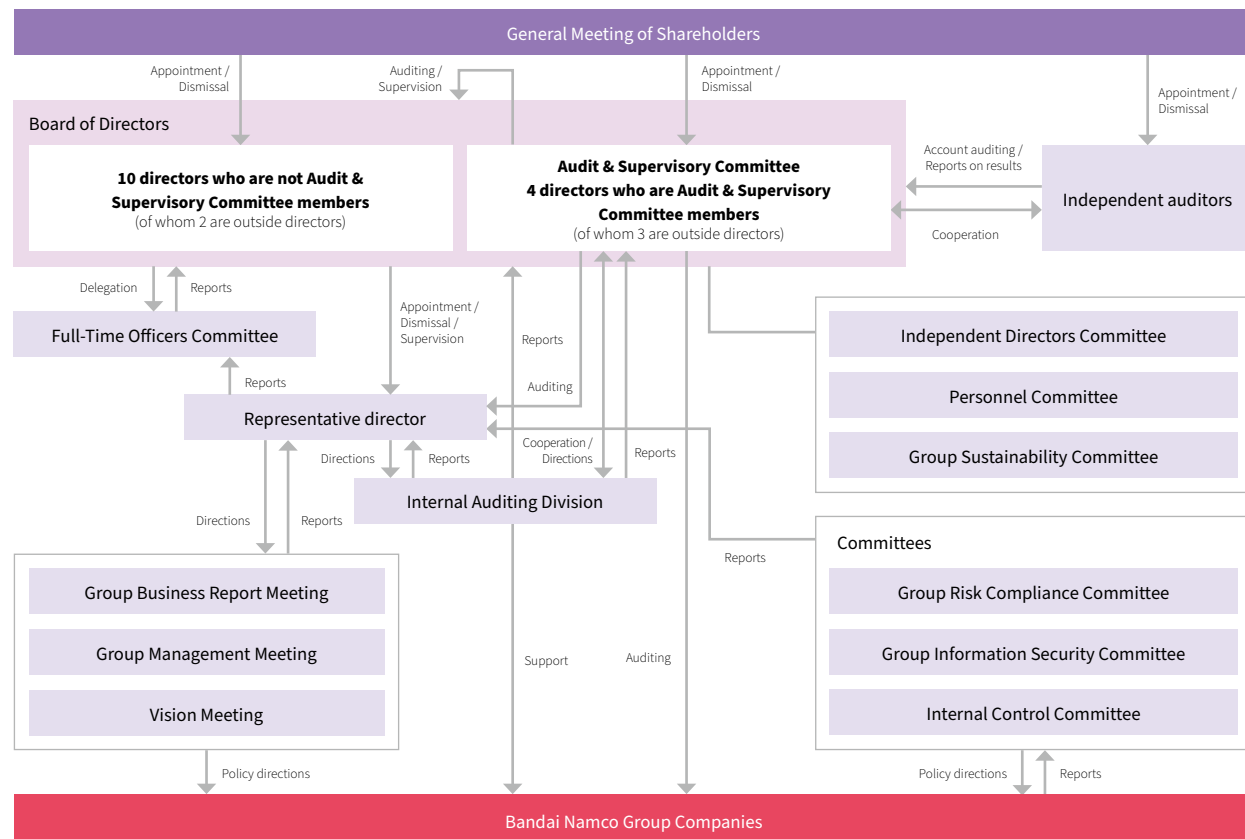
Directors who are Audit & Supervisory Committee members

2 Years or Less

Organization

Company with an Audit & 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 20, 2022

Transition to a Company with an Audit & 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 & Supervisory Board to a company with an Audit & 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 responsible for each Unit 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 outside directors. They are working to strengthen the management supervision 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) Koichi Kawana	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) Koichi Kawana	As appropriate	Personnel matters for Group officers, officer compensation, reporting of evaluations and opinions regarding human resources synergies	Outside directors (excluding outside directors who are 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 directors who are 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 headquarters reports, risk information, other matters to be reported	Directors, representatives of regional headquarters, other designated individuals
Group Management Meeting	President and Representative Director Masaru Kawaguchi	8 times per year	Discussions about Group management issues and mid-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 directors who are Audit & Supervisory Committee members and outside directors), presidents and representative directors of business management companies, etc.; other designated individuals
Vision Meeting	President and Representative Director Masaru Kawaguchi	2 times 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 FY2023.3

Policies and Processes for Appointing Directors

Policies and Processes for Appointing 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, the Company has a basic policy that one-third or more of directors will be outside directors.

When appointing candidates for director, the Company considers the necessary abilities, experience, and personality, etc., according to the role. Inquiries are made to the Personnel Committee and recommendations are received, and independent, outside directors hold interviews with new director candidates. Decisions are then made by the Board of Directors.

Appointing Independent, Outside Directors

Appointments are made with consideration for 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.

Policies and Processes for Appointing Candidates for Directors who are Audit & Supervisory Committee Members

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 directors who are 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 who are 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 (including directors who are Audit & Supervisory Committee members) track the status of internal control departments within the Company 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 supervision 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 10 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, 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 2022, the composition of the Personnel Committee is as follows.

People	4 people (1 executive director and 3 outside directors)
Committee chair	Director (Outside) Koichi Kawana
Members	Director (Outside) Toshio Shimada, 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 FY2022.3, 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
May 31, 2021	Payment amounts for FY2021.3 performance-based bonuses and performance-based stock compensation for the Company, Unit core companies, etc. Calculation method for FY2022.3 performance-based stock compensation
August 2, 2021	Officer remuneration system from the fiscal years covered by the next Mid-term Plan (main points of system)
September 22, 2021	Officer remuneration system from the fiscal years covered by the next Mid-term Plan (details of system)
December 1, 2021	Officer remuneration system from the fiscal years covered by the next Mid-term Plan (final draft)
January 28, 2022	FY2023.3 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 (From June 20, 2022)

Basic policy

The basic policy of the remuneration system for the Company's directors (excluding directors who are 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 directors who are 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) pursuant to a resolution at the 17th Ordinary General Meeting of Shareholders held on June 20, 2022. In addition, Company directors, excluding directors who are 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.

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

As for variable remuneration of the Company, 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 targets, fiscal year targets, and year-on-year targets 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 that have been newly adopted. If any of the rates of achievement is 50% or lower, performance-based bonuses will not be paid. In accordance with a resolution of the 17th Ordinary General Meeting of Shareholders, which was held on June 20, 2022, 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 materiality (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 45,000 shares by the Delivery Share Price* 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.

* 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 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%.

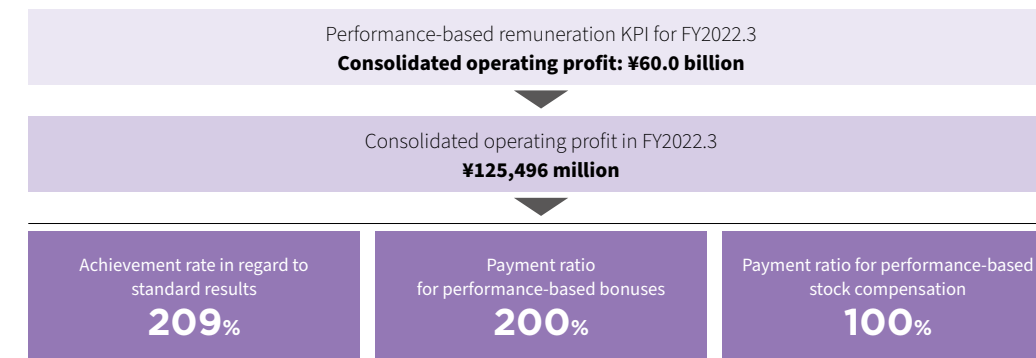
Procedure for determining compensation

The policy, framework, and performance-based mechanism for directors (excluding directors who are 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 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.

Reference

Performance-based remuneration results



FY2022.3 Officer category	Total amount of compensation, etc. (¥ million)	Total amount of compensation, etc., by type (¥ million)		Total amount of compensation, etc., by type (¥ million)		Number of eligible officers (People)
		Fixed remuneration	Number of eligible officers (People)	Performance-based stock compensation	Of the amount on the left, non-monetary compensation, etc.	
Directors (excluding outside directors)	720	251	5	468	165	4
Audit & Supervisory Committee members (excluding outside Audit & Supervisory Committee members)	24	24	1	—	—	—
Outside officers	97	97	8	—	—	—

Notes:
 1. Non-monetary compensation, etc., for directors (excluding outside directors) is performance-based stock compensation.
 2. 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, First Section, on March 31, 2022, and when making actual payment, the Delivery Share Price is applied.
 3. FY2022.3 was a period for preparation for the next Mid-term Plan. Accordingly, based on advice from the Personnel Committee, in FY2022.3, for the remuneration system for Company directors, excluding outside directors, the Company continued to adopt the details of the remuneration system under the previous Mid-term Plan (FY2019.3 to FY2021.3).

CORPORATE GOVERNANCE

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 the 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 the 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 FY2022.3, 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.

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	90,997

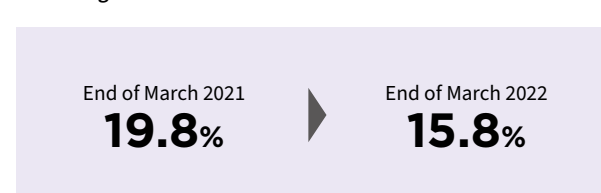
Issues for which the number of shares increased in FY2022.3

	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 FY2022.3

	Number of issues	Total selling price related to the decrease in the number of shares (¥ million)
Unlisted shares	—	—
Shares other than unlisted shares	1	17

Percentage of consolidated net assets

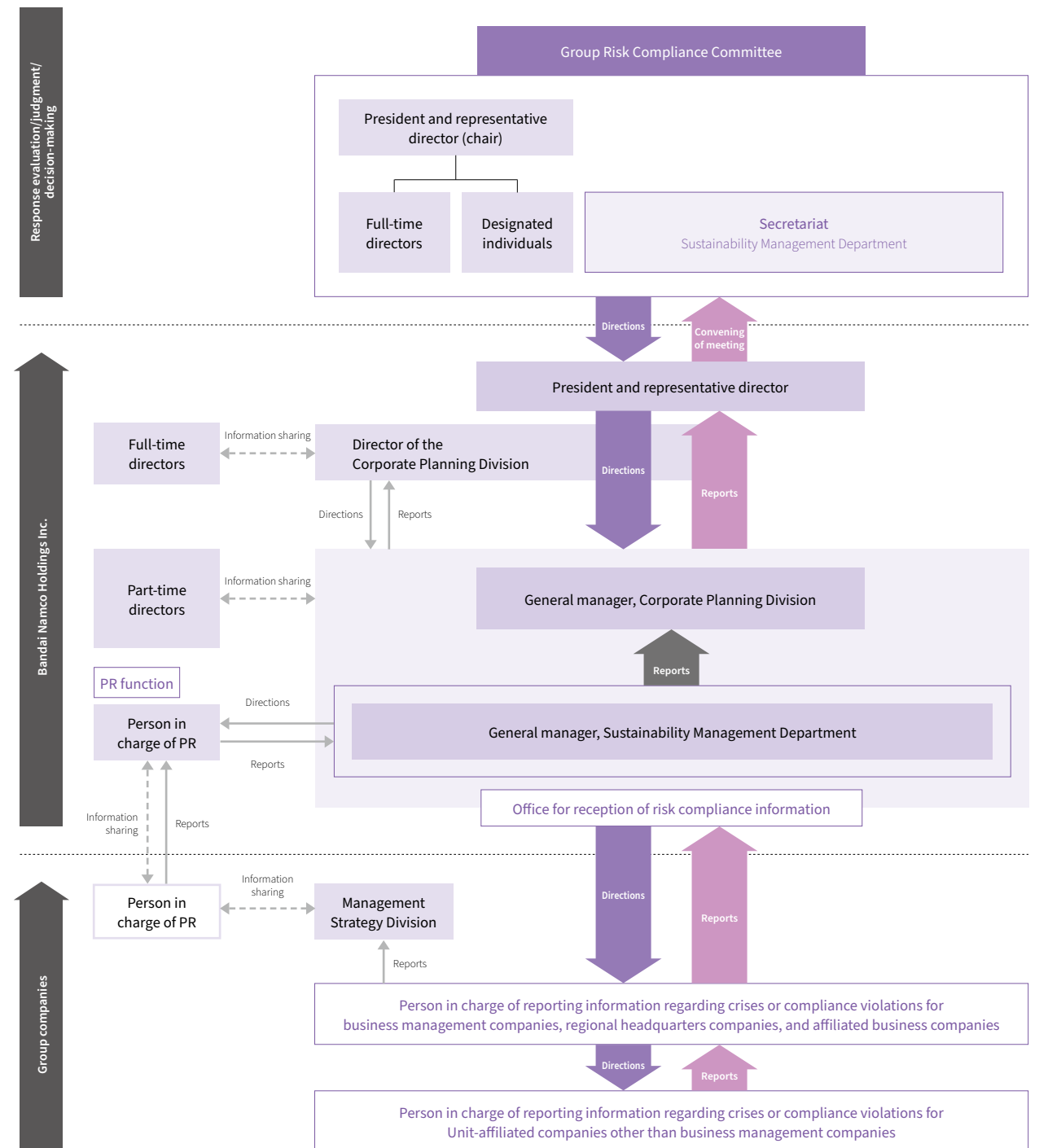


Compliance and Risk Management

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 through 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 through 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

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.

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 and telephone conferences.

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. Also, in working to prevent the spread of COVID-19, we have established the Crisis Management Committee, with a special focus on preventing the spread of COVID-19. Participants include the Company's directors and other people in charge from related departments. At these meetings, we are periodically sharing information and deliberating on policies. The results are made known within the Group, and initiatives are advanced in accordance with the policies of each company.

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

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.

Results of Major IR Activities in FY2022.3	
Results presentations for investors and analysts (held online)	3 times (463 people)
Results telephone conferences for investors and analysts	1 time (132 people)
Overseas IR	—*
Separate meetings for investors and analysts	507 people
Presentations for individual investors in Japan	—*

* In FY2022.3, due to the influence of the spread of COVID-19, there was no implementation due to restraint in regard to overseas travel and events.

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 headquarters 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 a 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 the 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 through 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 directors who are 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 directors who are 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 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 Audit & Supervisory Committee member.
- (12) Other Systems to Ensure the Effectiveness of Audits Conducted by the Audit & Supervisory Committee**
 - Directors (excluding directors who are Audit & Supervisory Committee members) of the Company shall formulate a system whereby 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 20, 2022

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	Reasons for appointment	Major experience and expertise										Attendance at meetings of the Board of Directors (FY2022.3)	
			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	57,400	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.	●	●	●	●			●			●	18/18	
 Director Yuji Asako Corporate Planning Division and Group Administrative Headquarters	46,900	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 sustainability activities and information security. 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.	●					●	●			●	18/18	
 Director Nobuhiko Momoi General Manager of Group Business Strategy Department	5,100	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 Strategies Division of the Company since April 2022. He has been appointed as the Company considers him capable of enhancing collaboration in Group management.	●		●	●				●			—	
 Director (Part-time) Yasuo Miyakawa Director in charge of Digital Business of Entertainment Unit	26,250	Mr. Yasuo Miyakawa 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 representative director of Bandai Namco Entertainment Inc., which is the current business management company of the Digital Business of the Entertainment Unit in the Group. He has been appointed as the Company considers him capable of building closer ties between the Digital Business and Group management.	●	●	●	●	●		●	●		●	18/18	
 Director (Part-time) Kazuhiro Takenaka Director in charge of Toys and Hobby Business of Entertainment Unit	18,000	Mr. Kazuhiro Takenaka possesses extensive experience, achievements, and knowledge in the Toys and Hobby Business and, since 2019, has driven the business forward as president and representative director 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.	●		●	●			●				—	
 Director (Part-time) Makoto Asanuma Director in charge of IP Production Unit	19,400	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 representative director 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.	●	●		●	●	●		●		●	18/18	
 Director (Part-time) Hiroshi Kawasaki Director in charge of Amusement Unit	23,950	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 representative director of Bandai Namco Amusement Inc., which is the business management company of the Amusement Business in the Group. He has been appointed as the Company considers him capable of building closer ties between the Amusement Business and Group management.	●	●	●	●	●		●				14/14	
 Director (Part-time) Shuji Ohtsu Director in charge of Bandai Namco Business Arc Inc.	44,400	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.	●						●		●	●	18/18	

Note: Number of shares held is as of the end of March 2022. Attendance rates at meetings of the Board of Directors are for FY2022.3.
 Mr. Hiroshi Kawasaki was elected at the 16th Ordinary General Meeting of Shareholders held on June 21, 2021, and accordingly the number of Board of Directors' meetings on which the attendance rate is based differs from that of other directors.
 Mr. Nobuhiko Momoi and Mr. Kazuhiro Takenaka were elected at the 17th Ordinary General Meeting of Shareholders held on June 20, 2022, and accordingly did not attend meetings of the Board of Directors in FY2022.3.
 ■ Member of the Personnel Committee

DIRECTOR SYSTEM





As of June 20, 2022

Outside Directors Who Are Not Audit & Supervisory Committee Members

Position and name	Major concurrent positions	Number of Company shares owned	Reasons for appointment	Major experience and expertise											Attendance at meetings of the Board of Directors (FY2022.3) Number of meetings attended/ Number of meetings held		
				Corporate management	Operational experience					Finance, tax affairs, and accounting	Sustainability	Internationality	Legal affairs	Digital technology and information security		Independence	
					Digital	Toys and hobby	Visual/music	IP creation/development	Facilities/machines								
 Director (Outside) Koichi Kawana	Outside director (Audit & Supervisory Committee Member) of COMSYS Holdings Corporation Outside director of TOKYO ELECTRON DEVICE LIMITED External director of RENOVA, Inc.	—	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.	●									●			●	18/18
 Director (Outside) Toshio Shimada	Special advisor of CAC Holdings Corporation	—	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.	●											●	●	14/14

Note: Mr. Toshio Shimada was elected at the 16th Ordinary General Meeting of Shareholders held on June 21, 2021, and accordingly the number of Board of Directors' meetings on which the attendance rate is based differs from that of other directors.

Directors Who Are Audit & Supervisory Committee Members

Position and name	Major concurrent positions	Number of Company shares owned	Reasons for appointment	Major experience and expertise											Attendance at meetings of the Board of Directors (FY2022.3) Number of meetings attended/ Number of meetings held		
				Corporate management	Operational experience					Finance, tax affairs, and accounting	Sustainability	Internationality	Legal affairs	Digital technology and information security		Independence	
					Digital	Toys and hobby	Visual/music	IP creation/development	Facilities/machines								
 Director (Full-time) Masataka Nagaïke		3,200	Given his many years of experience in engaging in work in the administration divisions, and mastering corporate legal affairs, the Company expects Mr. Masataka Nagaïke to utilize his knowledge and experience for the audit & supervisory system of the Company, and thus he has been appointed.												●		18/18
 Director (Full-time, Outside) Toru Shinoda	Certified Public Accountant	300	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 & supervisory system of the Company, and thus he has been appointed.													●	18/18
 Director (Outside) Satoko Kuwabara	Attorney-at-law partner of GAIEN PARTNERS Outside auditor of Unicafe Inc. Outside Audit & Supervisory Board 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.													●	18/18
 Director (Outside) Takayuki Komiya	Certified public accountant Certified public tax accountant Representative director of KEY Consulting Co., Ltd.	—	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.	●												●	—

Note: Number of Company shares owned is as of the end of March 2022. Attendance at meetings of the Board of Directors is for FY2022.3.
Mr. Takayuki Komiya was elected at the 17th Ordinary General Meeting of Shareholders held on June 20, 2022, and accordingly did not attend meetings of the Board of Directors in FY2022.3.

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, 2022, have been translated into U.S. dollars at the rate of ¥122.39=U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market on March 31, 2022. 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

	2017	2018	2019	2020	2021	2022
For the Year:						
Net sales	¥620,061	¥678,312	¥732,347	¥723,989	¥740,903	¥889,270
Gross profit	223,759	241,581	262,555	260,948	282,006	356,265
Selling, general and administrative expenses	160,520	166,557	178,510	182,172	197,352	230,769
Operating profit	63,238	75,024	84,045	78,775	84,654	125,496
Recurring profit ¹	63,290	75,380	86,863	79,797	87,612	133,608
Profit attributable to owners of parent	44,159	54,109	63,383	57,665	48,894	92,752
Comprehensive income	43,104	56,024	69,952	53,312	90,527	96,299
Capital expenditures	25,016	60,501	29,016	33,406	31,507	36,554
Depreciation and amortization	21,854	23,545	21,370	23,239	24,684	25,726
Cash flows from operating activities	64,136	55,138	79,811	43,131	60,483	121,212

At Year-End:						
Total assets	¥488,032	¥540,490	¥612,955	¥619,819	¥732,782	¥862,650
Total current assets	357,782	350,618	397,951	383,662	455,210	577,206
Total current liabilities	126,110	136,202	163,893	142,506	175,920	243,362
Total net assets	348,784	387,354	429,644	454,684	511,433	584,233

Per Share Data (Yen):						
Basic earnings per share	¥201.03	¥246.29	¥288.40	¥262.39	¥222.58	¥422.09
Cash dividends	82.00	123.00	145.00	132.00	112.00	212.00

Main Financial Indicators:						
Return on equity (ROE) ² (%)	13.3	14.7	15.5	13.1	10.2	16.9
Return on assets (ROA) ³ (%)	13.5	14.7	15.1	12.9	13.0	16.7
Selling, general and administrative expenses to net sales (%)	25.9	24.6	24.4	25.2	26.6	26.0
Operating profit margin (%)	10.2	11.1	11.5	10.9	11.4	14.1
Profit attributable to owners of parent margin (%)	7.1	8.0	8.7	8.0	6.6	10.4
Shareholders' equity ratio (%)	71.3	71.5	70.0	72.5	69.7	67.7
Debt/equity ratio (Times)	0.00	0.00	0.00	0.01	0.05	0.05

Notes:

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

CONSOLIDATED BALANCE SHEETS

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
As of March 31, 2021 and 2022

	Millions of yen		Thousands of U.S. dollars (Note)
	2021	2022	2022
Assets			
Current assets:			
Cash and time deposits	¥204,326	¥279,401	\$2,282,875
Trade receivables	91,765	—	—
Trade receivables and contract assets	—	122,742	1,002,877
Allowance for doubtful receivables	(1,639)	(2,001)	(16,352)
Inventories	106,886	124,250	1,015,199
Other current assets	53,872	52,814	431,523
Total current assets	455,210	577,206	4,716,123
Property, plant and equipment:			
Buildings and structures	38,643	40,416	330,224
Amusement facilities and machines	60,675	59,298	484,506
Land	43,047	42,869	350,268
Other property, plant and equipment	139,509	151,528	1,238,080
Total	281,875	294,112	2,403,080
Less accumulated depreciation	(193,534)	(201,662)	(1,647,706)
Net property, plant and equipment	88,341	92,450	755,373
Intangible assets:			
Goodwill	17,069	14,887	121,637
Other intangible assets	15,944	19,540	159,660
Total intangible assets	33,014	34,428	281,298
Investments and other assets:			
Investment securities	121,208	113,261	925,417
Deferred tax assets	16,310	25,732	210,246
Net defined benefit asset	407	525	4,290
Other investments and assets	18,707	19,831	162,033
Allowance for doubtful receivables	(418)	(784)	(6,412)
Total investments and other assets	156,215	158,565	1,295,576
Total assets	¥732,782	¥862,650	\$7,048,371

	Millions of yen		Thousands of U.S. dollars (Note)
	2021	2022	2022
Liabilities and net assets			
Current liabilities:			
Trade payables	¥ 82,474	¥ 99,810	\$ 815,509
Short-term borrowings	385	10,810	88,330
Accrued income taxes	6,820	22,891	187,036
Contract liabilities	—	22,912	187,211
Provisions	3,547	3,745	30,605
Other current liabilities	82,692	83,191	679,725
Total current liabilities	175,920	243,362	1,988,419
Long-term liabilities:			
Long-term borrowings	20,234	10,236	83,635
Provisions	301	249	2,039
Net defined benefit liability	7,212	5,261	42,993
Deferred tax liabilities	4,639	4,148	33,896
Other long-term liabilities	13,040	15,157	123,847
Total long-term liabilities	45,428	35,053	286,411
Total liabilities	221,348	278,416	2,274,830
Net assets:			
Shareholders' equity:			
Common stock			
Authorized: 1,000,000,000 shares			
Issued: 222,000,000 shares			
	10,000	10,000	81,706
Capital surplus	52,232	52,574	429,567
Retained earnings	414,487	482,147	3,939,435
Treasury stock, at cost; 2,326,752 shares in 2021, and 2,023,206 shares in 2022	(3,905)	(2,140)	(17,487)
Subtotal	472,814	542,581	4,433,221
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities, net of tax	51,587	45,037	367,983
Deferred gains or losses on hedges, net of tax	988	901	7,367
Revaluation reserve for land, net of tax	(4,016)	(4,016)	(32,819)
Foreign currency translation adjustments	(7,438)	1,886	15,409
Remeasurements of defined benefit plans, net of tax	(3,419)	(2,394)	(19,563)
Subtotal	37,701	41,413	338,377
Non-controlling interests	917	237	1,942
Total net assets	511,433	584,233	4,773,540
Total liabilities and net assets	¥732,782	¥862,650	\$7,048,371

CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
Years Ended March 31, 2021 and 2022

Consolidated Statements of Income

	Millions of yen		Thousands of U.S. dollars (Note)
	2021	2022	2022
Net sales	¥740,903	¥889,270	\$7,265,871
Cost of sales	458,897	533,004	4,354,964
Gross profit	282,006	356,265	2,910,907
Selling, general and administrative expenses	197,352	230,769	1,885,525
Operating profit	84,654	125,496	1,025,382
Other income (loss):			
Interest and dividend income	1,546	1,454	11,880
Interest expense	(229)	(377)	(3,083)
Foreign exchange gains (losses)	480	5,519	45,100
Loss on valuation of derivatives	(44)	(244)	(1,998)
Provision of allowance for doubtful accounts	(31)	(369)	(3,020)
Gain (loss) on sales and disposal of fixed assets, net	(174)	2,310	18,878
Loss on impairment of fixed assets	(11,284)	(2,994)	(24,469)
Extra retirement payments	—	(1,257)	(10,271)
Subsidies for employment adjustment and other related to COVID-19	1,373	909	7,428
Loss on liquidation of business	(1,754)	—	—
Other	(2,594)	435	3,562
	(12,714)	5,385	44,005
Profit before income taxes	71,940	130,882	1,069,387
Income taxes	23,074	38,295	312,895
Profit	48,865	92,587	756,492
Profit (loss) attributable to non-controlling interests	(28)	(165)	(1,348)
Profit attributable to owners of parent	¥ 48,894	¥ 92,752	\$ 757,841

	Yen		U.S. dollars (Note)
	2021	2022	2022
Per share data:			
Net assets at March 31	¥2,323.98	¥2,654.81	\$21.69
Earnings per share:			
Basic	222.58	422.09	3.45
Diluted	—	—	—
Cash dividends applicable to period	112.00	212.00	1.73

Consolidated Statements of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (Note)
	2021	2022	2022
Profit	¥48,865	¥92,587	\$756,492
Other comprehensive income:			
Valuation difference on available-for-sale securities, net of tax	34,636	(6,505)	(53,149)
Deferred gains or losses on hedges, net of tax	736	(87)	(714)
Foreign currency translation adjustments	4,892	9,323	76,180
Remeasurements of defined benefit plans, net of tax	1,220	1,025	8,375
Share of other comprehensive income of associates accounted for using equity method	175	(44)	(363)
Total other comprehensive income	41,661	3,711	30,328
Comprehensive income	¥90,527	¥96,299	\$786,821
Comprehensive income attributable to:			
Owners of parent	¥90,486	¥96,464	\$788,174
Non-controlling interests	40	(165)	(1,352)

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
Years Ended March 31, 2021 and 2022

Year ended March 31, 2021

	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	¥52,004	¥394,699	¥(3,634)	¥453,069	¥16,837	¥250	¥(3,902)	¥(12,321)	¥(4,639)	¥(3,776)	¥ 5,392	¥454,684
Cash dividends			(29,220)		(29,220)								(29,220)
Profit attributable to owners of parent			48,894		48,894								48,894
Change in ownership interest of parent due to transactions with non-controlling interests			5	(309)	(303)							(4,823)	(5,127)
Purchase of treasury stock				(9)	(9)								(9)
Disposal of treasury stock		222		48	270								270
Change in treasury stock accompanying changes to holdings in companies to which the equity method is applied				0	0								0
Reversal of revaluation reserve for land			113		113			(113)			(113)		—
Net changes of items other than shareholders' equity						34,749	738	—	4,883	1,220	41,592	349	41,941
Balance at end 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

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, 2022

	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	\$81,706	\$426,769	\$3,386,608	\$ (31,906)	\$3,863,178	\$421,497	\$8,080	\$ (32,819)	\$ (60,775)	\$ (27,939)	\$308,044	\$ 7,497	\$4,178,719
Cumulative effects of changes in accounting policies			1,466		1,466								1,466
Restated balance	81,706	426,769	3,388,075	(31,906)	3,864,644	421,497	8,080	(32,819)	(60,775)	(27,939)	308,044	7,497	4,180,186
Cash dividends			(206,481)		(206,481)								(206,481)
Profit attributable to owners of parent			757,841		757,841								757,841
Change in scope of consolidation - foreign currency translation adjustment					—				1,308		1,308		1,308
Change in ownership interest of parent due to transactions with non-controlling interests			(890)		(890)							(3,943)	(4,833)
Purchase of treasury stock				(67)	(67)								(67)
Disposal of treasury stock		3,688		14,484	18,173								18,173
Change in treasury stock accompanying changes to holdings in companies to which the equity method is applied				1	1								1
Net changes of items other than shareholders' equity						(53,514)	(712)	—	74,876	8,375	29,024	(1,611)	27,412
Balance at end of year	\$81,706	\$429,567	\$3,939,435	\$ (17,487)	\$4,433,221	\$367,983	\$7,367	\$ (32,819)	\$ 15,409	\$ (19,563)	\$338,377	\$ 1,942	\$4,773,540

OVERVIEW OF MAIN GROUP COMPANIES

As of August 31, 2022

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 headquarters in the Americas, providing support for the implementation of strategies by operating companies, etc.
Bandai Namco Europe S.A.S.	Regional headquarters 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 headquarters in Asia, providing support for the implementation of strategies by operating companies in Asia (excluding China)
Bandai Namco Holdings China Co., Ltd.	Regional headquarters in China, providing support for the implementation of strategies by operating companies, etc.
Bandai Namco Holdings UK Ltd.	Regional headquarters in Europe, providing support for the implementation of strategies by operating companies in Europe

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.	In network services, providing content operation, distribution, digital marketing, localization, and technical support
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 Europe S.A.S.	Regional headquarters 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

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 toys and plastic models for the mature fan base as well as prizes, sundries, etc.
MegaHouse Corporation	Planning, development, production, and sales of toys, candy toys, figures, etc.
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 sales of seasonal special event candy and candy toys
PLEX CO., LTD.	Character design; product design, planning, and sales
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 prizes, etc., for amusement facilities
ARTPRESTO CO., LTD.	Planning, design, and printing (packages, catalogs, posters, cards); website production, event planning, and administration
People Co., Ltd.*	Planning, development, and sales through outsourced contract production for toys, playground equipment, bicycles, and furniture
Tsuburaya Productions Co., Ltd.*	Planning, production, and distribution of visual products, etc.
Bandai Namco Toys & Collectibles America Inc.	Sales/promotions, event sales, e-commerce, etc., for toys and products for the mature fan base, such as collectible figures
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)
Bandai Namco Trading (HK) Limited	Manufacturing and production management of prizes for amusement facilities, convenience stores, etc., and of products for sale overseas
BANDAI CORPORACION MEXICO, S.A. de C.V.	Sales of toy-related products in Mexico

IP Production Unit

IP Production Business

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
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 KAGEKIJO 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 research, planning, and development in areas related to content and amusement machines for real entertainment facilities
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
NAMCO UK LTD.	Planning and operation of entertainment facilities
Bandai Namco Amusement Europe Ltd.	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)
HAPPINET CORPORATION*	Distribution of toys, visual and music products, video games, and amusement products (listed on Tokyo Stock Exchange, Prime Market)
Drecom Co., Ltd.*	Game business; advertising and media business
Italian Tomato Ltd.*	Management of restaurants; franchise operations; production, sales, and provision of production guidance for pastries

* Companies accounted for by the equity method