

BANDAI NAMCO

Fun for All into the Future

BANDAI NAMCO NEWS

Bandai Namco Holdings Inc.

Bandai Namco miraikenkyusho
5-37-8, Shiba, Minato-ku, Tokyo, 108-0014, Japan**Management****Overview of the Next Mid-Term Plan****Bandai Namco Holdings Inc.****Achievement of record-high sales and profits again in the first nine months of FY2025.3, with growth in revenue and profit across all business categories**

The Bandai Namco Group has announced the next Mid-term Plan, which will start in April 2025. In this issue, we provide an overview of the next Mid-term Plan and report on the Group's results for the first nine months of FY2025.3.

◆ The results for the first nine months of FY2025.3

In the first nine months of FY2025.3 (April–December 2024), net sales were ¥955.6 billion, operating profit was ¥179.2 billion, ordinary profit was ¥185.4 billion, and profit attributable to owners of parent was ¥128.6 billion. Net sales and all profit metrics reached record highs.

In terms of each business, the Digital Business and Toys and Hobby Business saw significant growth due to the success of highly profitable products and services. Moreover, the IP* Production Business and Amusement Business recorded a solid performance. As a result, net sales and profits were up year on year across all businesses.

We have made revisions to our full-year forecasts for FY2025.3, considering our performance in each business in the first nine months of the fiscal year; our plans for products, services, and marketing in the fourth quarter; and the progress we have made in preparing for the next Mid-term Plan, among other factors. Our updated forecasts call for net sales of ¥1,230.0 billion and operating profit of ¥180.0 billion, both surpassing the targets set for the final year of the current Mid-term Plan at the time of its formulation and reaching record highs.

In the next Mid-term Plan, we will revise part of our basic policy on shareholder returns. In line with our new policy, we have decided to once again acquire treasury shares in FY2025.3. Specifically, we are purchasing up to ¥35.0 billion worth of shares, with a maximum of eight million shares, between the period of February

6 to May 31, 2025. In addition, we forecast an annual dividend of ¥71 per share, comprising a base dividend of ¥22 and a performance-based dividend of ¥49. As a result, the total return ratio for FY2025.3 is expected to be 63.6% (please see New Shareholder Return Policy of the Next Mid-term Plan on page 4).

**The Mid- to Long-term Vision
“Connect with Fans”**

The Mid- to Long-term Vision of the next Mid-term Plan will continue to pursue “Connect with Fans,” which was positioned as the Mid-term Vision in the current Mid-term Plan, with a revised role. “Connect with Fans” aligns closely with our Purpose, “Fun for All into the Future,” and during the current Mid-term Plan, we have undertaken various initiatives to strengthen connections with our fans. The next Mid-term Plan will serve as the second chapter of “Connect with Fans,” entering a concrete action phase. The term “Fans” in “Connect with Fans” does not refer solely to end users. It encompasses a wide range of stakeholders, including IP fans, external partners, shareholders, employees, and society at large, as we seek to further strengthen these connections.

Under the next Mid-term Plan, guided by the Mid- to Long-term Vision, “Connect with Fans,” we aim to expand the potential of IP and develop businesses that bring chain of smiles to even more people, together with our fans around the world. The overall framework of the next Mid-term Plan (see diagram on page

◆ FY2025.3 Shareholder Returns

Purchase of treasury shares	
Total number of shares to be acquired:	Up to 8 million shares
Total value of shares to be acquired:	Up to 35 billion yen
Acquisition period:	February 6 – May 31
Annual dividend	
FY2025.3 projected annual dividends:	¥71
(breakdown)	
Base dividend:	¥22
Performance-based dividend:	¥49
Total payout ratio	
	63.6% (planned)

2, bottom left) features two overlapping circles at the center, symbolizing dual concepts such as “Twin Turbo,” “Digital & Physical,” “Offense & Defense,” and “Centrifugal & Centripetal Forces,” representing the synergy of both elements. Together with IP fans, partners, and employees, the Bandai Namco Group will strive for even greater growth.

Firstly, we have established three shared themes for the next Mid-term Plan: “Further expansion of business scale,” “Acquisition of new business pillars,” and “Establishment of structure for generating long-term profits,” in consideration of the kinds of efforts we ought to pursue to achieve sustainable growth and of the issues we dealt with during the period of the current plan. Based on the shared themes, we formulated the four key themes of “Creative Quality,” “Expansion,” “Growth,” and “Strengthen,” as well as eight key initiatives that build on these themes.

* IP: Characters and other intellectual property

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Overview of the Next Mid-Term Plan

◆ Key Theme ① Creative Quality

The starting point of the Bandai Namco Group is *Monozukuri* (craftsmanship). We take a multifaceted approach to new IP creation, including initiatives driven by products and services as well as Groupwide projects. Under the next Mid-term Plan, we will strengthen IP co-creation by working more closely with external creators, studios, and IP holders from new perspectives. Recently, we collaborated with Studio Khara to create *Mobile Suit Gundam QuuuuuuX*, and this work has been garnering strong support and attracting new fans as a new *Gundam* title.

Also, in the Amusement Business, we established the new company Bandai Namco Experience Inc., as part of our reorganization efforts aimed at enhancing planning and development capabilities and strengthening the acquisition and cultivation of human resources. By bolstering our planning and development capabilities for facilities and amusement machines, we will create new experience-based value that is unique to Bandai Namco.

◆ Key Theme ② Expansion

As the popularity of Japanese IP continues to grow across the globe, we still have many opportunities to expand our business world-wide. To that end, in the Toys and Hobby Business, we are expanding rollouts of products for the mature fan base, trading card games, capsule toys, and other products. The Toys and Hobby Business is also collaborating with the Amusement Business to open official stores and hold workshops and other hands-on events. In these ways, we are working to enhance engagement with our products and services and deepen connections with fans. Furthermore, in addition to Japanese IP, we are actively pursuing collaborations with local IP and local corporations. With regard to expanding our area of operations, we are stepping up the rollout of e-commerce services in each country and region. Additionally, in the Digital Business, we have further refined the structure introduced in 2024 to oversee world-wide marketing activities in Japan and the United States, thereby working to accelerate decision-making and information sharing.

We also established Bandai Namco Filmworks America, LLC, a company for the visual and music business, in North America. Through this company, we concluded an agreement with Legendary Entertainment to co-invest in the production of a live-action adaptation of *Mobile Suit Gundam series*, and have now entered into the stage of full-scale production. With a view toward a worldwide release of the film, Bandai Namco Filmworks America will serve as an investment hub for live-action productions while also working to strengthen overseas licensing, promotions, and events for the *Mobile Suit Gundam series*. By doing so, we will maximize the value of the *Gundam* IP.

◆ Key Theme ③ Growth

IPs serve as the key element of the IP axis strategy, which is our greatest strength as a Group, and it is important that we not only create IPs but also grow them. Under the next Mid-term Plan, we will strengthen the licensing business for our own IP, such as *Tamagotchi* from the Toys and Hobby Business, *Gundam* from the Visual and Music Business, and *THE IDOLM@STER* and *PAC-MAN* from the Digital Business, thus expanding the worldview of our IP in manner that transcends our business domains. In addition, for game titles, we will focus on expanding the popularity of titles within our series and continuing to release new titles in these series, while making effective use of them. By doing so, we will establish a strong presence for such titles and strengthen our brand power.

Also, sustainability efforts are an essential part of the key theme of “Growth.” Products in the Toys and Hobby business, such as *Gundam* model kits, which are the flagship product of the *Gundam* IP, use various raw materials, including plastics. Amid growing concerns regarding the environmental impact of plastics, the Group has established the Eco-friendly Plastic Policy. We have already been pursuing such efforts as recycling programs involving fans and the utilization of alternative materials. Moving forward, under the Eco-friendly Plastic Policy, we will continue to minimize unnecessary material usage to the greatest extent possible while utilizing renewable plastics and alternative materials and promoting recycling. As a member of society, promoting Groupwide environment-friendly initiatives is essential for enhancing the brand value of IPs and products.

In addition, at Expo 2025 Osaka, Kansai, Japan, we will showcase the GUNDAM NEXT

FUTURE PAVILION, a pavilion themed around *Gundam*. This pavilion aims to connect people across the globe through *Gundam* and provide an opportunity to think about the future together.

◆ Key Theme ④ Strengthen

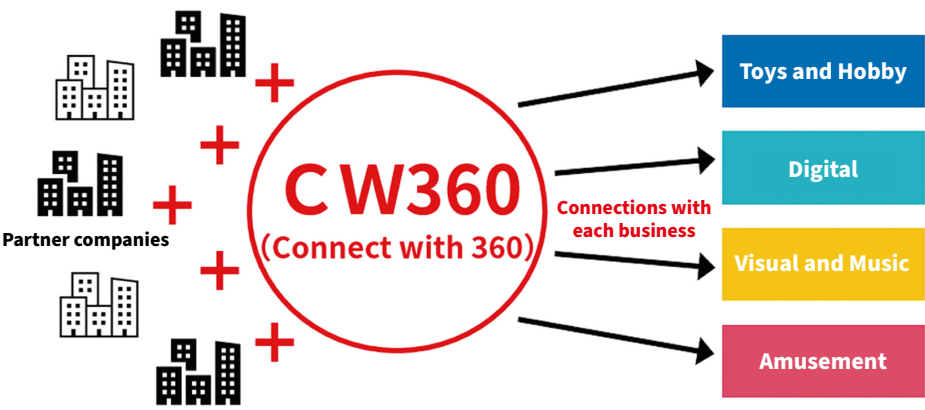
Under the current Mid-term Plan, we have been promoting the Data Universe, which connects, integrates, and utilizes Groupwide data. We have already begun utilizing the Data Universe in initiatives across various business, including investigating and analyzing user trends in overseas trading card games. Under the next Mid-term Plan, we will begin the genuine utilization of accumulated data and further deepen our application of this data. By doing so, we will formulate optimized marketing plans and enhance the accuracy of our product planning and demand forecasting, thus refining our operations in each business.

In addition, primarily in the fields of game development and visual content production, we will actively promote the research and application of new technologies through collaborations between external partners and our internal R&D divisions.

◆ Strengthening of Alliances and Utilization of Diverse Human Resources

In the next Mid-term Plan, we will continue to promote collaborations and alliances with various business partners in each business, as we have done in the past. As a new initiative, we have established the CW360 (Connect with 360) Division within Bandai Namco Holdings Inc., embodying our desire to establish 360°connections with fans based on our Mid-to Long-term Vision of “Connect with Fans.” During the period of the current Mid-term Plan, there were areas we wished to pursue but could not due to time, budget, and other restrictions. Through CW360, we aim to approach these areas from a unique Groupwide perspective, embracing challenges without fear of failure and fostering connections with external partners through projects, collaborations, and alliances. We will then link the areas CW360 engages with to our existing business to drive business growth, thereby ensuring long-term Groupwide growth. Furthermore, initiatives led by CW360 to strengthen alliances with external partners will also provide an excellent opportunity for human resource development. Opportunities created by CW360, such as the promotion of projects and alliances outside the Group and the establishment of joint-venture companies,

◆ Image of Alliances



will help us to cultivate talent for the next generation. We will also promote a broad range of initiatives to ensure that our diverse group of employees can work in a lively manner and with peace of mind. These include developing global talent to support the Group's business growth, reinforcing our corporate personnel and divisions, and establishing employee-friendly environments and systems. By doing so, we will lay a solid foundation for our Group.

◆ Structure to Promote the Next Mid-term Plan

With regard to our business Unit structure, we will revise the structure and names of our organizations. To begin with, we will transition to an independent Unit structure for the Digital and Toys and Hobby businesses, building on the foundation of collaboration that has been established between these two businesses. We will also change the name of the IP Production Unit to the Visual and Music Unit. In the Amusement Unit, we will establish the new company Bandai Namco Experience Inc., as part of our reorganization efforts aimed at enhancing planning and development capabilities and strengthening the acquisition and cultivation of human resources in amusement facility management. This new company will be the Business Management Company of the Amusement Unit.

Moreover, through revisions to the Board of Director structure at Bandai Namco Holdings, we will establish a more robust financial foundation, governance structure, and management structure with a view toward future growth. At the same time, we will bolster a structure that enables employees to take on new challenges. With this revision, Masaru Kawaguchi will become Chairman and Director, drawing on his experience to date to offer overall advice

on the Company's management. Yuji Asako will assume the rule of President and Representative Director, overseeing the promotion of the new Mid-term Plan. Nobuhiko Momoi will promote business collaboration and lead CW360 as the Executive Vice President and Director. We will also appoint two new directors. Takashi Tsuji will serve as CFO, CISO, and CSO (Chief Sustainability Officer) (please see page 5 for more details on the structure of the Board of Directors).

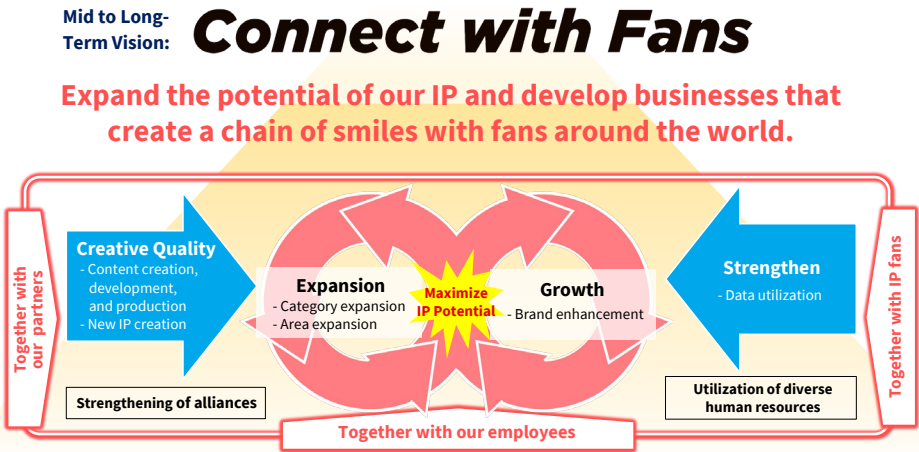
◆ Capital Policy

Under the next Mid-term Plan, we will enhance corporate value by maximizing IP potential with the aim of achieving sustainable growth. We will also focus on increasing ROE with an awareness of EPS and equity spread in order to generate long-term profits. At the same time, we will strive to engage in communication with the stock market. Currently, we recognize that capital cost is approximately 8%, and we aim to maintain an equity spread of at least 5% on an ongoing basis. In evaluating the performance of the Board of Directors, we will place greater emphasis on capital efficiency and adopt EPS as a KPI, in addition to our conventional numerical metrics and sustainability evaluation.

The diagram on the next page shows our capital allocation policy for the next Mid-term Plan. Based on this policy, we will realize business growth and shareholder returns. Growth investments largely comprise investments recorded as costs, such as those related to game and visual works production; investments necessary for business operations, such as the acquisition of molds; and strategic investments under the next Mid-term Plan (360 investments).

(Continued on next page)

◆ Overview of the New Mid-term Plan for FY2026.3-2028.3



◆ The Overall Theme of the Group

[Key Theme ①] Creative Quality	Creation, development, and production
	New IP creation
[Key Theme ②] Expansion	Category expansion
	Area expansion
[Key Theme ③] Growth	Brand enhancement (IP, labels, products, services)
[Key Theme ④] Strengthen	Data utilization
Strengthening of alliances	
Utilization of diverse human resources	

Overview of the Next Mid-Term Plan

Over the three-year period of the next Mid-term Plan, we will utilize ¥600 billion—1.5 times the amount during the current Mid-term Plan—primarily for growth investments, with a portion of that amount going toward shareholder returns. These investments will yield results not only during the next Mid-term Plan but also contribute to growth over the medium to long term. While achieving growth over the upcoming three years is naturally important, we will also focus on maintaining sustainable medium- to long-term growth. We will work to establish a solid foundation for growth during the period of the next plan while also proactively executing investments.

For 360 investments, these are aimed at establishing 360 connections with fans, including IP fans, business partners, employees, shareholders, and society. Over the three-year period of the next Mid-term Plan, we expect 360 investments to total roughly

¥150 billion, which will contribute to the growth of future Group talent, enhancement of corporate value, and generation of long-term profits. We will also place value on creating opportunities and systems that enable employees to actively take on challenges. These investments will be executed from a Groupwide perspective to establish 360 connections with fans.

◆ **Change in Shareholder Returns Policy**

Based on results for shareholder returns to date and the recent changes in the operating environment, we have revised our shareholder return policy in order to form longer connections with our shareholders. Specifically, we will transition from our previous approach of basing returns on a DOE of 2% and aiming for a total return ratio of 50% or more to an approach of setting a minimum return threshold of DOE 3.60% while adopting a total payout ratio of 50% or more as our basic policy. We

will also acquire treasury share as appropriate with an awareness of capital cost. The Bandai Namco Group positions the return of profits to shareholders as an important management issue. Going forward, we will continue to enhance the Group’s competitiveness while maintaining financial soundness, aiming for continuous dividend payments and the enhancement of corporate value.

◆ **Targets for the Final Year of the Next Mid-term Plan**

In the final year of the next Mid-term Plan, we aim for net sales of ¥1,450.0 billion, operating profit of ¥200.0 billion, and an overseas sales ratio (on a destination basis) of 50% or more. We will maintain the ongoing target of reaching an operating profit margin of 12% or more and an equity spread of 5% or more.

Also, as we aim to achieve sustainable growth over the medium to long term, we will naturally expand our business scale. In the upcoming

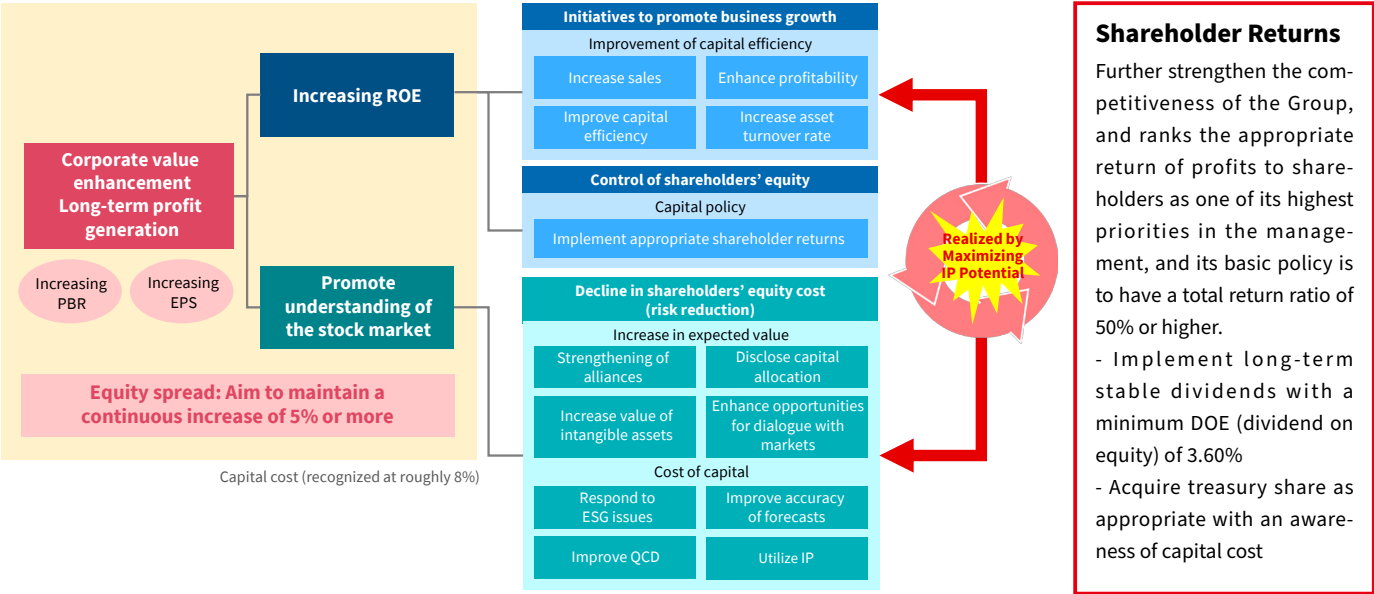
three years, we will make efforts to lay the groundwork and plant seeds for the future, and such efforts might have a slight impact on profitability. However, we understand the necessity to secure a stable profit foundation and will

therefore ensure that we record a certain level of profits during this period.

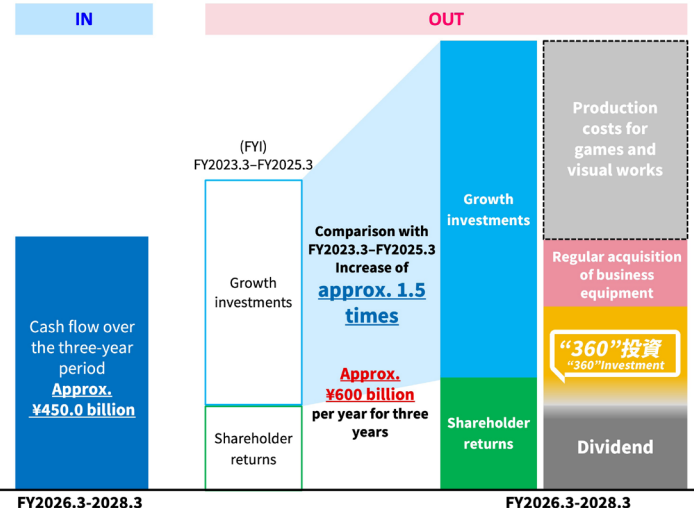
The greatest asset and strength of the Bandai Namco Group are our diverse employees and highly unique businesses. Looking

toward the future, we will strive to establish environments where all employees around the world can freely and boldly take on challenges.

◆ Capital Policy



◆ Capital Allocation



FY2026.3-FY2028.3 Mid-Term Plan Targets
Target for the final year of the Mid-term Management Plan

Consolidated net sales ¥1,450.0 billion
Consolidated operating profit ¥200.0 billion
Overseas sales ratio (on destination basis) 50% or more

Ongoing goals

Operating profit margin Above 12% on a continuous basis
Equity spread Above 5% on a continuous basis

Directors at principal companies in the Bandai Namco Group

☆ New appointment
◇ Change in position
(as of April 1, 2025)

Bandai Namco Holdings Inc.

Chairman and Director	Masaru Kawaguchi ◇
President and Representative Director	Yuji Asako ◇
Executive Vice President and Director	Nobuhiko Momoi ◇
Director	Takashi Tsuji ☆
Director	Noriko Fujita ☆
Director (Part-time)	Kazuhiro Takenaka
Director (Part-time)	Nao Udagawa
Director (Part-time)	Makoto Asanuma
Director (Part-time)	Hiroshi Kawasaki
Director (Part-time, Outside)	Toshio Shimada
Director (Part-time, Outside)	Koichi Kawana
Director (Audit and Supervisory Committee Member)	Takashi Kaneko
Director (Audit and Supervisory Committee Member, Part-time, Outside)	Toru Shinoda ◇
Director (Audit and Supervisory Committee Member, Part-time, Outside)	Satoko Kuwabara
Director (Audit and Supervisory Committee Member, Part-time, Outside)	Takayuki Komiya

* Following the General Meeting of Shareholders scheduled for June 2025
* The position changes for Kawaguchi, Asako, Momoi, and Shinoda will take effect on April 1, 2025.

BANDAI CO., LTD.

President and CEO	Kazuhiro Takenaka
Managing Director	Taro Tsuji
Managing Director	Shinjiro Kaji ◇
Director	Akira Togashi
Director	Keisuke Furusawa
Director	Kotaro Hama ☆
Director (Part-time)	Daiki Miyatani

BANDAI SPIRITS CO., LTD.

President and CEO	Hiroshi Sakakibara
Managing Director	Takahiro Mizuno ◇
Director	Keisuke Furusawa
Director	Kotaro Hama ◇
Director	Yoshinao Takahashi ☆
Director (Part-time)	Kazuhiro Takenaka

Bandai Namco Entertainment Inc.

President and CEO	Nao Udagawa
Director	Daisuke Uchiyama
Director	Toru Konno
Director	Akira Togashi
Director (Part-time)	Koji Fujiwara

Bandai Namco Filmworks Inc.

President and CEO	Makoto Asanuma
Vice President and Director	Satoshi Kono
Managing Director	Shin Sasaki
Director	Kazunori Goka
Director	Kimikazu Ueyama
Director	Naohiro Ogata ☆
Director	Tomohiro Hattori ☆
Director (Part-time)	Yoshitaka Tao
Director (Part-time)	Keisuke Furusawa
Director (Part-time)	Toru Konno ☆
Director (Part-time)	Yoshiyasu Horiuchi

Bandai Namco Music Live Inc.

President and CEO	Yoshitaka Tao
Managing Director	Takaaki Suzuki
Director	Manabu Kuroda
Director	Atsushi Arai
Director (Part-time)	Kimikazu Ueyama
Director (Part-time)	Tomoki Nanjo ☆

Bandai Namco Experience Inc.

President and CEO	Hiroshi Kawasaki
Managing Director	Haruo Iwayaguchi
Director	Yoshiyasu Horiuchi
Director	Masayoshi Iiyama
Director	Hiroshi Ikeda
Director (Part-time)	Akio Orui
Director (Part-time)	Shinjiro Kaji



Scheduled to be appointed as President and Representative Director of Bandai Namco Holdings Inc.: Yuji Asako



Scheduled to be appointed as Director of Bandai Namco Holdings Inc.: Takashi Tsuji



Scheduled to be appointed as Director of Bandai Namco Holdings Inc.: Noriko Fujita

Consolidated Financial Results for the first nine months of FY2025.3 (April to December, 2024) are as follows.

Digital Business

In the area of network content, mainstay app titles for series such as *DRAGON BALL* and *ONE PIECE* continued to perform steadily worldwide. In addition, the new app title *THE IDOLM@STER Gakuen* got off to a strong start.

For home console games, *ELDEN RING SHADOW OF THE ERDTREE*, the large-scale *ELDEN RING* DLC, and the new title *DRAGON BALL Sparking! ZERO* were tremendous successes across the globe. Additionally, repeat sales of *ELDEN RING* remained strong.

Toys and Hobby Business

Amid the growing popularity of Japanese IP in global markets, the business continued to perform well, driven by efforts to expand product categories around the world, increase customer touchpoints through real events, and strengthen production capabilities. Specifically, products for the mature fan base, such as *Gundam series* model kits and collector's figures, saw strong

performance, supported by enhanced sales, marketing initiatives, and a strengthened product lineup. Additionally, card products such as the *ONE PIECE* trading card game, capsule toys, and confectionery and other food products contributed to performance. This was driven by not only the expansion of product lineups, target demographics, and rollout regions but also efforts to strengthen customer touchpoints.

IP Production Business

Box office revenues from *Mobile Suit Gundam SEED FREEDOM*, which became the highest-grossing theatrical film in the history of the *Gundam series*, and the latest *BLUELOCK* theatrical release contributed to performance. Additionally, the global rollout, online streaming, and licensing business for titles such as *BLUELOCK*, the *LoveLive! series*, and *That Time I Got Reincarnated as a Slime* continued to perform well. Furthermore, backed by the growing demand for physical entertainment, live events and sales of related video packages also saw strong performance.

Amusement Business

Sales at existing amusement facilities in Japan remained strong, increasing 6.9% year

on year. Additionally, Bandai Namco's unique facility and activity-based store developments, such as Bandai Namco Cross Stores and GASHAPON Department Store, which are linked with the Group's products and services, continued to perform well. In arcade machines, sales of both new products and standard machines remained stable.



▲ Global sales volume of *DRAGON BALL Sparking! ZERO* surpassed five million units
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◆ Consolidated Financial Results in First Nine Months of FY2025. 3 (million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent
Results	955,663	179,233	185,413	128,699
Year-on-year changes	123.8%	229.0%	206.9%	213.1%

◆ Full-year Consolidated Projection for FY2025. 3 (million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent
Revised projections* (as of February 2025)	1,230,000	180,000	187,000	128,000
Year-on-year changes	117.1%	198.5%	179.5%	126.1%

◆ Dividend per share

	Second quarter-end	Fiscal year-end	Consolidated
Revised projections (as of February 2025)	¥11 (result) Base dividend: ¥11	¥60 Base dividend: ¥11 Performance-based dividend: ¥49	¥71 Base dividend: ¥22 Performance-based dividend: ¥49
Results for the previous fiscal year	¥10 (result)	¥50(result)	¥60 (result)

◆ Consolidated Financial Results by Segment in First Nine Months of FY2025. 3 (million yen)

Business Segment	Net Sales	Segment Profit
Digital	357,023	70,597
Toys and Hobby	464,187	97,618
IP Production	60,973	9,424
Amusement	104,764	8,141
Other	27,262	2,097
Elimination and Corporate	(58,547)	(8,645)
Consolidated Total	955,663	179,233

* Forward-looking statements are based on a variety of assumptions and are not promises or guarantees that the stated future forecasts/ measures will be realized.