

BANDAI NAMCO Holdings Inc.

Notice of the Sixteenth Ordinary General Meeting of Shareholders to be held on June 21, 2021

An English translation of the original notice in Japanese

DISCLAIMER

The following is an English translation of the Japanese original “Notice of the Sixteenth Ordinary General Meeting of Shareholders of BANDAI NAMCO Holdings Inc.” which meeting is to be held on June 21, 2021.

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 notice shall prevail.

These documents have been prepared solely in accordance with Japanese law and are offered here for informational purposes only. In particular, please note that the financial statements included in the following translation have been prepared in accordance with Japanese GAAP.

May 31, 2021

5-37-8 Shiba, Minato-ku, Tokyo
BANDAI NAMCO Holdings Inc.
Masaru Kawaguchi
President and Representative Director

Dear Shareholders,

NOTICE OF THE SIXTEENTH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We would like to inform you that the Sixteenth Ordinary General Meeting of Shareholders of BANDAI NAMCO Holdings Inc. (the “Company”) will be held as set forth below. Although we will hold the General Meeting of Shareholders while being as thorough as possible in taking measures to prevent the spread of COVID-19, for this year, we encourage you to exercise your voting rights in writing or via the Internet in advance instead of attending the meeting in order to prevent the spread of COVID-19. Please review the enclosed “Reference Documents for the General Meeting of Shareholders” for the exercise of voting rights in writing or via the Internet, and exercise your voting rights as per the instructions on pages 4 to 5 by 5:30 p.m., Saturday, June 19, 2021(Japan Time).

If you would like to attend the meeting in person, we ask you to register in advance. We will use a lottery system to select which of the registered persons will be able to attend the meeting depending on the number of seats made available. Please note beforehand that those of you who have not registered in advance, who have not been selected by the lottery, or who cannot be confirmed to have been selected by the lottery when entering the venue may not enter the venue of the General Meeting of Shareholders.

Meeting Details

1. **Date and Time:** June 21, 2021 (Monday) at 10:00 a.m. (Japan Time)
2. **Place:** “Hiten,” Grand Prince Hotel New Takanawa
3-13-1 Takanawa, Minato-ku, Tokyo
3. **Purpose of the Meeting:**

Matters to be Reported:

1. Report on the Contents of the Business Reports, the Consolidated Financial Statements, and the Results of the Auditing of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the Sixteenth Fiscal Year (from April 1, 2020 to March 31, 2021)
2. Report on the Contents of the Non-Consolidated Financial Statements for the Sixteenth Fiscal Year (from April 1, 2020 to March 31, 2021)

Matters to be Resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Twelve Directors

Proposal No. 3: Determination of Performance-based Stock Compensation Plan for Directors (Continuation)

4. Information on Exercise of Voting Rights

Please see “Information on Exercise of Voting Rights” on pages 4 to 5 of this document.

[Information on Exercise of Voting Rights]

Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders on pages 6 to 25.

You may exercise your voting rights by one of the following three methods.

How to exercise your voting rights in writing (via postal mail):

Please indicate, on the Voting Rights Exercise Form, your approval or disapproval of each item on the agenda and return the completed form.

Deadline for voting:

To be received no later than 5:30 p.m., Saturday, June 19, 2021 (Japan Time).

How to exercise your voting rights via the Internet:

Please enter your approval or disapproval of each item on the agenda in accordance with the instructions on the following page.

Deadline for voting:

All data entry to be completed no later than 5:30 p.m., Saturday, June 19, 2021 (Japan Time).

How to exercise your voting rights via attending the General Meeting of Shareholders:

*** Shareholders must register in advance to attend in person, and only a limited number will be selected by the lottery.**

When attending the meeting in person, please hand in the Voting Rights Exercise Form and your confirmation letter for attending the meeting in person (two documents) at the reception desk at the place of the shareholders' meeting.

Date and time of the General Meeting of Shareholders:

June 21, 2021 (Monday) at 10:00 a.m. (Japan Time)

If you exercise your voting rights more than once both in writing (via postal mail) and via the Internet, then only the vote cast via the Internet shall be deemed valid.

In addition, if you cast your vote via the Internet multiple times, then only the last vote cast shall be deemed valid. If you cast your vote via the Internet more than once, using a personal computer, a smartphone, and/or a mobile phone, then only the last vote cast shall be deemed valid.

If you attend the meeting in person, you do not need to follow the procedures for the exercise of voting rights via postal mail (sending the Voting Rights Exercise Form) or via the Internet.

If revisions to the contents of the "Reference Documents for the General Meeting of Shareholders," the "Business Reports," the "Consolidated Financial Statements" and the "Non-Consolidated Financial Statements" are required, the Company shall publish a notification on the Company website at the following URL:

<https://www.bandainamco.co.jp/ir/stock/meeting.html>

[Information on Exercise of Voting Rights via the Internet]

By scanning the QR Code

You can log in to the website for the exercise of voting rights without entering the Login ID or Temporary Password printed on the Voting Rights Exercise Form.

1. Please scan the QR Code printed on the right side of the Voting Rights Exercise Form.
* QR Code is a registered trademark of DENSO WAVE INCORPORATED.
2. Enter your approval or disapproval of each item on the agenda in accordance with the instructions on the screen.

You can use the QR Code to log in just once.

Please read “By entering your Login ID and Temporary Password” below for instructions when re-exercising your voting right or exercising your voting right without using the QR Code.

By entering your Login ID and Temporary Password

The website for the exercise of voting rights: <https://evote.tr.mufg.jp/>

1. Please access the website for the exercise of voting rights.
2. Enter the “Login ID” and “Temporary Password” printed on your Voting Rights Exercise Form and click the “Login.”
3. Please register the “New Password.”
Enter the “New Password.”
Click the “Send.”
4. Enter your approval or disapproval of each item on the agenda in accordance with the instructions on the screen.

* All costs associated with accessing the website for the exercise of voting rights are to be borne by the shareholder.

If you have any inquiries regarding the operation of a personal computer, a smartphone, or a mobile phone, etc. when exercising your voting rights via the Internet, please contact the following:

Transfer Agent Department (Help Desk)
Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-173-027 (9:00 to 21:00 (Japan Time)); toll free only within Japan)

Institutional investors may make use of the Electronic Voting Platform for Institutional Investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

Appropriation of surplus is as follows:

Fiscal year-end dividends

The Company ranks the return of profits to shareholders as one of its highest priorities in its management. The Company aims to further strengthen the competitiveness of the BANDAI NAMCO Group (the “Group”) and, while maintaining a sound financial status, to achieve regular distributions of dividends and improvement in the Company’s corporate value. Specifically, the Company follows 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). Under this policy, the Company strives to maintain long-term and stable dividends and be more aware of capital cost.

In view of the Company’s performance in this fiscal year, the Company will pay a year-end dividend of ¥91 per share, which consists of a base dividend of ¥21 per share and a performance-based dividend of ¥70 per share.

Since the Company paid an interim dividend of ¥21 per share on December 7, 2020, the total annual dividend for the fiscal year will be ¥112 per share.

1. Type of dividend assets:
Cash
2. Allocation of dividend assets to be paid to shareholders and total amount of dividend:
Dividend per share of common stock of the Company ¥91
Total amount of dividends ¥20,020,066,885
3. Effective date of distribution of surplus (dividend):
June 22, 2021

Proposal No. 2: Election of Twelve Directors

Since the terms of office of the twelve Directors of the Company will expire as of the close of this General Meeting of Shareholders, the Company requests the election of twelve Directors. If this Proposal is approved and adopted as proposed, Outside Directors shall continue to make up one-third of all Directors.

Policy on and process for selecting candidates for Director of the Company

To select candidates for Director of the Company, candidates are nominated on the basis of sufficiently broad expertise and experience in decision-making for corporate management, background in a business supervisory capacity, or achievements and knowledge from their career to date. The basic policy laid out in the Articles of Incorporation of the Company is that at least two Directors should be Outside Directors and all of the Outside Directors should be independent Outside Directors.

To select candidates for independent Outside Director of the Company, nominations that provide an appropriate balance of, for example, individuals with extensive experience in corporate management, individuals with profound scholarly knowledge of corporate strategy, or lawyers who are experts in compliance and other internal controls, are considered and a decision is made accordingly.

When selecting candidates for Director of the Company, a Personnel Committee of which the chair and a majority of the members are independent Outside Directors is established on a discretionary basis to act as a forum for debate and receive recommendations based on the respective candidate's achievements and knowledge, and the independent Outside Directors conduct interviews with new candidates before a decision is made at a Board of Directors Meeting.

The candidates for Director of the Company are as follows:

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
1	Mitsuaki Taguchi (June 16, 1958) Number of the Company's Shares Owned 85,100 Shares	Chairman and Director Supervising IP Production Unit	<p>Apr. 1982: Joined BANDAI CO., LTD.</p> <p>Apr. 1999: General Manager, Vending Machine Business Department of BANDAI CO., LTD.</p> <p>June 2003: Director, Leader of Lifestyle Group and Lifestyle Company President of BANDAI CO., LTD.</p> <p>Apr. 2006: Managing Director in charge of new business policy of BANDAI CO., LTD.</p> <p>Apr. 2009: Senior Managing Director in charge of media policy and new business policy of BANDAI CO., LTD.</p> <p>Apr. 2010: Executive Vice President and Director in charge of media policy and new business policy of BANDAI CO., LTD.</p> <p>Apr. 2012: Executive Vice President and COO in charge of global media policy and human resources policy and in charge of Real B Voice Business Group, Strategy Projects, Human Resources of BANDAI CO., LTD.</p> <p>Apr. 2015: Adviser of the Company</p> <p>June 2015: President and Representative Director of the Company</p> <p>Apr. 2021: Chairman and Director Supervising IP Production Unit of the Company (current position)</p>
<p>Reasons for proposing Mr. Mitsuaki Taguchi as a candidate for Director: Mr. Mitsuaki Taguchi served as President and Representative Director of the Company from 2015 to March 2021, supervised its management appropriately by, for example, achieving the previous Mid-term Plan, and possesses extensive business experience, achievements, and knowledge. He is proposed as a candidate for Director as the Company considers him capable of ensuring that the Group continues to grow.</p>			

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
2	<p>Masaru Kawaguchi (November 2, 1960)</p> <p>Number of the Company's Shares Owned 53,300 Shares</p>	<p>President and Representative Director Responsible for Entertainment Unit</p>	<p>Apr. 1983: Joined BANDAI CO., LTD.</p> <p>Apr. 2002: Executive Officer and General Manager, Vending Machine Business Department of BANDAI CO., LTD.</p> <p>Apr. 2006: Director in charge of distribution policy of BANDAI CO., LTD.</p> <p>Apr. 2010: Managing Director in charge of hobby business policy and quality assurance policy of BANDAI CO., LTD.</p> <p>Apr. 2015: Senior Managing Director in charge of toy business policy of BANDAI CO., LTD.</p> <p>Aug. 2015: President and Representative Director of BANDAI CO., LTD. Executive Officer of the Company</p> <p>June 2016: Director in charge of Toys and Hobby SBU of the Company</p> <p>Feb. 2018: President and Representative Director of BANDAI SPIRITS CO., LTD.</p> <p>Apr. 2018: Director in charge of Toys and Hobby Unit of the Company</p> <p>Apr. 2020: Executive Vice President and Director in charge of Toys and Hobby Unit of the Company</p> <p>Apr. 2021: President and Representative Director Responsible for Entertainment Unit of the Company (current position) Chairman & Director of BANDAI CO., LTD. (current position)</p>
<p>Reasons for proposing Mr. Masaru Kawaguchi as a candidate for Director: Mr. Masaru Kawaguchi demonstrated his leadership skills based on extensive experience and broad knowledge at BANDAI CO., LTD., which is the current business management company of the Toys and Hobby Business of Entertainment Unit of the Group, and he has also 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. He is proposed as a candidate for Director as the Company considers him capable of ensuring that the Group continues to grow.</p>			

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary	
3	Shuji Ohtsu (August 6, 1959) Number of the Company’s Shares Owned 41,900 Shares	Director and Division General Manager of the Group Administrative Headquarters	Mar. 1986:	Licensed as a CPA
			Dec. 1996:	Partner of Century Audit Corporation
			Jan. 2000:	Partner of Century Ota Showa & Co. (currently Ernst & Young ShinNihon LLC)
			Sep. 2003:	Partner of KPMG AZSA & Co. (currently KPMG AZSA LLC)
			May 2004:	Board Member of KPMG AZSA & Co.
			Oct. 2007:	Joined the Company as Adviser
			June 2008:	Director in charge of Overseas Operations, Group Administrative Headquarters, Corporate Legal Affairs Department and Internal Auditing Division of the Company
			June 2011:	Director in charge of Overseas Regional Headquarters Companies and Division General Manager of the Group Administrative Headquarters of the Company
			Apr. 2013:	Director and Division General Manager of the Group Administrative Headquarters of the Company (current position)
				President and Representative Director of NAMCO BANDAI Holdings (USA) Inc. (currently BANDAI NAMCO Holdings USA Inc.) (current position)
Apr. 2015:	President and Representative Director of BANDAI NAMCO Business Arc Inc. (current position)			
Oct. 2017:	President and Representative Director of BANDAI NAMCO Will Inc. (current position)			
		(Major concurrent positions) President and Representative Director of BANDAI NAMCO Holdings USA Inc. President and Representative Director of BANDAI NAMCO Business Arc Inc. President and Representative Director of BANDAI NAMCO Will Inc.		
Reasons for proposing Mr. Shuji Ohtsu as a candidate for Director: Mr. Shuji Ohtsu possesses specialist expertise as a CPA, as well as extensive experience and achievements as Division General Manager of the Group Administrative Headquarters of the Company. He is proposed as a candidate for Director as the Company considers him capable of strengthening Group management structures and ensuring highly transparent management.				

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
4	Yuji Asako (January 18, 1966) Number of the Company's Shares Owned 44,100 Shares	Director and Division General Manager of Corporate Planning Division Supervising Amusement Unit	<p>Apr. 1986: Joined BANDAI CO., LTD.</p> <p>Aug. 2005: General Manager, Accounting Division of BANDAI CO., LTD.</p> <p>Sep. 2005: Joined the Company, as General Manager of Corporate Administration Department in charge of PR and IR, and Accounting and Finance</p> <p>Apr. 2006: Director of NAMCO BANDAI Games Inc. (currently BANDAI NAMCO Entertainment Inc.)</p> <p>Apr. 2008: Executive Officer, Division General Manager of Corporate Planning Division of the Company</p> <p>June 2010: Director in charge of Corporate Planning and Division General Manager of Corporate Planning Division of the Company</p> <p>June 2011: Director and Division General Manager of Corporate Planning Division of the Company</p> <p>Apr. 2014: Director of NAMCO LIMITED (*) (currently BANDAI NAMCO Amusement Inc.) * Newly established company through the incorporation-type company split of NAMCO LIMITED (currently BANDAI NAMCO Entertainment Inc.)</p> <p>Apr. 2017: Director of BANDAI NAMCO Holdings ASIA CO., LTD. (current position)</p> <p>Apr. 2021: Director and Division General Manager of Corporate Planning Division Supervising Amusement Unit of the Company (current position) Director of BANDAI NAMCO Amusement Inc. (current position)</p>
<p>Reasons for proposing Mr. Yuji Asako as a candidate for Director: 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 sustainable activities. He is proposed as a candidate for Director as the Company considers him capable of implementing the Group's management strategies and seeking a sustained increase in corporate value.</p>			

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary	
5	Yasuo Miyakawa (June 8, 1956) Number of the Company's Shares Owned 21,750 Shares	Director in charge of Digital Business of Entertainment Unit	Apr. 1981:	Joined BANDAI CO., LTD.
			Jan. 1996:	Director of Bandai Digital Entertainment
			Apr. 2000:	Joined SUNRISE INC., as General Manager of Network Development Department
			Apr. 2004:	Director of SUNRISE INC.
			Apr. 2008:	Managing Director of SUNRISE INC.
			Apr. 2011:	Senior Managing Director of SUNRISE INC.
			Apr. 2013:	Vice President and Director of SUNRISE INC.
			Apr. 2014:	President and Representative Director of SUNRISE INC.
			Apr. 2015:	President and Representative Director of BANDAI NAMCO Pictures Inc.
			Apr. 2018:	Executive Officer in charge of IP Creation Unit of the Company
			June 2018:	Director in charge of IP Creation Unit of the Company
			Mar. 2019:	President and Representative Director of Evolving GUNDAM Inc.
			Apr. 2019:	Director in charge of Network Entertainment Unit of the Company President and Representative Director of BANDAI NAMCO Entertainment Inc. (current position)
Apr. 2021:	Director in charge of Digital Business of Entertainment Unit of the Company (current position)			
(Major concurrent position) President and Representative Director of BANDAI NAMCO Entertainment Inc.				
Reasons for proposing Mr. Yasuo Miyakawa as a candidate for Director: Mr. Yasuo Miyakawa possesses extensive experience, achievements, and knowledge from his wide-ranging involvement in multiple businesses in the Group. 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 Entertainment Unit in the Group, since 2019. He is proposed as a candidate for Director as the Company considers him capable of building closer ties between the Digital Business and Group management.				

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
6	<p>New Candidate for Director</p> <p>Satoshi Kono (October 15, 1968)</p> <p>Number of the Company's Shares Owned 12,400 Shares</p>	—	<p>Apr. 1991: Joined TOKYO THEATRES COMPANY, INCORPORATED</p> <p>Jul. 1992: Joined BANDAI CO., LTD.</p> <p>Mar. 2004: General Manager of Production Group II, Production Section of BANDAI VISUAL CO., LTD. (currently BANDAI NAMCO Arts Inc.)</p> <p>Apr. 2009: Executive Officer of Content Headquarters of BANDAI VISUAL CO., LTD.</p> <p>Apr. 2010: Director of SUNRISE INC. (current position)</p> <p>Apr. 2012: Director of BANDAI VISUAL CO., LTD.</p> <p>Apr. 2016: Managing Director of BANDAI VISUAL CO., LTD.</p> <p>Apr. 2020: Senior Managing Director of BANDAI NAMCO Arts Inc.</p> <p>Apr. 2021: Executive Officer in charge of Visual and Music Business of IP Production Unit of the Company (current position) President and Representative Director of BANDAI NAMCO Arts Inc. (current position)</p>
			(Major concurrent position) President and Representative Director of BANDAI NAMCO Arts Inc.
			<p>Reasons for proposing Mr. Satoshi Kono as a candidate for Director:</p> <p>Mr. Satoshi Kono possesses extensive experience, achievements, and knowledge in the Visual and Music Business. He has driven the business forward as the President and Representative Director of BANDAI NAMCO Arts Inc., which is the business management company of the Visual and Music Business of IP Production Unit in the Group, since 2021. He is proposed as a candidate for Director as the Company considers him capable of building closer ties between the Visual and Music Business and Group management.</p>

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
7	Makoto Asanuma (April 23, 1963) Number of the Company's Shares Owned 17,000 Shares	Director in charge of Creation Business of IP Production Unit	<p>Apr. 1986: Joined Kabushiki Kaisha Network</p> <p>Oct. 2000: Joined Bandai Networks Co., Ltd.</p> <p>Apr. 2004: General Manager of Mobile Business Department of Bandai Networks Co., Ltd.</p> <p>June 2005: Director, Deputy Division Head of Business Division and General Manager of Content Business Department of Bandai Networks Co., Ltd.</p> <p>Apr. 2009: Executive Officer and Deputy Division Head of NE Business Division of NAMCO BANDAI Games Inc. (currently BANDAI NAMCO Entertainment Inc.)</p> <p>Oct. 2010: President and Representative Director of BANDAI NAMCO Online Inc.</p> <p>Apr. 2014: Director, Division Head of Business Division I of BANDAI NAMCO Entertainment Inc.</p> <p>Apr. 2015: Managing Director in charge of Global Business Promotion Unit / Media Unit of BANDAI NAMCO Entertainment Inc.</p> <p>Apr. 2018: Senior Managing Director of SUNRISE INC.</p> <p>Mar. 2019: Chairman of SUNRISE SHANGHAI CO., LTD. (current position)</p> <p>Apr. 2019: Executive Officer in charge of IP Creation Unit of the Company</p> <p>President and Representative Director of SUNRISE INC. (current position)</p> <p>June 2019: Director in charge of IP Creation Unit of the Company</p> <p>Apr. 2021: Director in charge of Creation Business of IP Production Unit of the Company (current position)</p> <p>(Major concurrent positions) President and Representative Director of SUNRISE INC. Chairman of SUNRISE SHANGHAI CO., LTD.</p>
<p>Reasons for proposing Mr. Makoto Asanuma as a candidate for Director: Mr. Makoto Asanuma possesses extensive experience, achievements, and knowledge from his wide-ranging involvement in multiple businesses in the Group. He has driven the business forward as the President and Representative Director of SUNRISE INC., which is the current business management company of the Creation Business of IP Production Unit in the Group, since 2019. He is proposed as a candidate for Director as the Company considers him capable of building closer ties between the Creation Business and Group management.</p>			

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
8	<p>New Candidate for Director</p> <p>Hiroshi Kawasaki (April 24, 1963)</p> <p>Number of the Company's Shares Owned 22,250 Shares</p>	—	<p>Apr. 1987: Joined BANDAI CO., LTD.</p> <p>Apr. 2001: Executive Officer and General Manager of Innovative Toy Business Department of BANDAI CO., LTD.</p> <p>Oct. 2005: General Manager of President's Office and Corporate Planning Department of the Company</p> <p>Apr. 2007: Director of NAMCO LIMITED (*) (currently BANDAI NAMCO Amusement Inc.) * Newly established company through the incorporation-type company split of NAMCO LIMITED (currently BANDAI NAMCO Entertainment Inc.)</p> <p>Apr. 2015: Managing Director of NAMCO LIMITED</p> <p>Apr. 2018: Director of BANDAI NAMCO Entertainment Inc.</p> <p>Apr. 2021: Executive Officer in charge of Amusement Unit of the Company (current position) President and Representative Director of BANDAI NAMCO Amusement Inc. (current position)</p>
			(Major concurrent position) President and Representative Director of BANDAI NAMCO Amusement Inc.
			<p>Reasons for proposing Mr. Hiroshi Kawasaki as a candidate for Director: Mr. Hiroshi Kawasaki possesses extensive experience, achievements, and knowledge from his wide-ranging involvement in multiple businesses in the Group. He has driven the business forward as the President and Representative Director of BANDAI NAMCO Amusement Inc., which is the business management company of Amusement Unit in the Group, since 2021. He is proposed as a candidate for Director as the Company considers him capable of building closer ties between the Amusement Business and Group management.</p>

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
9	<u>Outside Director</u> Koichi Kawana (April 23, 1958) Number of the Company's Shares Owned --- Shares	Director	Apr. 1982: Joined JGC CORPORATION (currently JGC HOLDINGS CORPORATION) Jul. 1997: General Manager, Abu Dhabi Office and General Manager, Kuwait Office of JGC CORPORATION Jul. 2001: General Manager, London Office and JGC UK Managing Director of JGC CORPORATION May 2004: General Manager, Project Business Investment Promotion Department, Project Business Promotion Division, Global Marketing Division of JGC CORPORATION Aug. 2007: Executive Officer, Senior General Manager, New Business Promotion Division, Global Marketing Division of JGC CORPORATION Jul. 2009: Managing Director, Senior General Manager, Global Marketing Division of JGC CORPORATION June 2010: Representative Director, Senior Executive Vice President of JGC CORPORATION Jul. 2011: Representative Director and President of JGC CORPORATION June 2017: Director, Vice Chairman of JGC CORPORATION June 2018: Vice Chairman of JGC CORPORATION June 2019: Outside Director of the Company (current position) Outside Director (Audit & Supervisory Committee Member) of COMSYS Holdings Corporation (current position) Outside Director of TOKYO ELECTRON DEVICE LIMITED (current position) June 2020: External Director of RENOVA, Inc. (current position)
			(Major concurrent positions) Outside Director (Audit & Supervisory Committee Member) of COMSYS Holdings Corporation Outside Director of TOKYO ELECTRON DEVICE LIMITED External Director of RENOVA, Inc.
			Reasons for proposing Mr. Koichi Kawana as a candidate for Outside Director and expected role: 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 believes that he will be able to perform the duties of an Outside Director appropriately.

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
10	<u>Outside Director</u>	Director	Apr. 1990: Admitted to the bar in Japan Joined Mori Sogo Law Offices (currently Mori Hamada & Matsumoto)
	Satoko Kuwabara (November 1, 1964)		Jan. 1998: Partner of Mori Hamada & Matsumoto June 2016: Outside Director of the Company (current position)
	Number of the Company's Shares Owned --- Shares		Mar. 2020: Outside Auditor of Unicafe Inc. (current position) Apr. 2020: Partner of GAIEN PARTNERS (current position) June 2020: Outside Audit & Supervisory Board Member of Nippon Yusen Kabushiki Kaisha (current position)
(Major concurrent positions) Attorney-at-Law Partner of GAIEN PARTNERS Outside Auditor of Unicafe Inc. Outside Audit & Supervisory Board Member of Nippon Yusen Kabushiki Kaisha			
Reasons for proposing Ms. Satoko Kuwabara as a candidate for Outside Director and expected role: Although Ms. Satoko Kuwabara has not been involved in corporate management other than through serving as an outside officer, the Company anticipates, given her many years of experience as an attorney-at-law, that she will be able to further strengthen management oversight and checking functions, mainly from a legal risk perspective, and thus believes that she will be able to perform the duties of an Outside Director appropriately.			

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
11	<u>Outside Director</u> Mikiharu Noma (November 6, 1974) Number of the Company's Shares Owned --- Shares	Director	Apr. 2002: Lecturer, Faculty of Economics and Business Administration of Yokohama City University Oct. 2003: Assistant Professor, Faculty of Economics and Business Administration of Yokohama City University Oct. 2004: Assistant Professor, Graduate School of International Corporate Strategy (ICS) of Hitotsubashi University Apr. 2007: Associate Professor, Graduate School of International Corporate Strategy (ICS), Hitotsubashi University June 2016: Outside Director of the Company (current position) Apr. 2019: Professor, Graduate School of Business Administration, Hitotsubashi University Business School (current position) June 2019: Outside Auditor of Nice Holdings, Inc. (currently Nice Corporation) (current position)
			(Major concurrent positions) Professor, Graduate School of Business Administration, Hitotsubashi University Business School Outside Auditor of Nice Corporation
			Reasons for proposing Mr. Mikiharu Noma as a candidate for Outside Director and expected role: Although Mr. Mikiharu Noma has not been involved in corporate management other than through serving as an outside officer, given his profound scholarly knowledge accumulated throughout his study and teaching activities in the field of corporate strategy, especially accounting and financial affairs, the Company anticipates that he will be able to further strengthen management oversight and checking functions, and thus believes that he will be able to perform the duties of an Outside Director appropriately.

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
12	New Candidate for Director	—	<p>Apr. 1980: Joined JGC CORPORATION</p> <p>Jul. 1990: Joined Sanwa Research Institute Corp. (currently Mitsubishi UFJ Research and Consulting Co., Ltd.)</p> <p>Aug. 1992: Joined JGC Information Systems Co., Ltd.</p> <p>Nov. 1997: Joined CAC Corporation (currently CAC Holdings Corporation)</p> <p>Mar. 2000: Executive Officer and General Manager of Corporate Planning Department of CAC Corporation</p> <p>Mar. 2002: Director and General Manager of Corporate Planning Division of CAC Corporation</p> <p>Jul. 2003: Managing Director and General Manager of Operational Headquarters of CAC Corporation</p> <p>Mar. 2004: President and CEO of CAC Corporation</p> <p>Jan. 2011: Chairman and CEO of CAC Corporation</p> <p>June 2011: Vice Chairman of Japan Information Technology Services Industry Association (current position)</p> <p>Mar. 2015: Director and Chairman of CAC Holdings Corporation</p> <p>Mar. 2019: Special Advisor of CAC Holdings Corporation (current position)</p>
	<u>Outside Director</u>		
	Toshio Shimada (June 4, 1957)		
	Number of the Company's Shares Owned --- Shares		
	<p>Reasons for proposing Mr. Toshio Shimada as a candidate for Outside Director and expected role:</p> <p>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 believes that he will be able to perform the duties of an Outside Director appropriately.</p>		

- (Notes)
1. Each of Mr. Koichi Kawana, Ms. Satoko Kuwabara, Mr. Mikiharu Noma, and Mr. Toshio Shimada is a candidate for Outside Director of the Company. Each of Mr. Koichi Kawana, Ms. Satoko Kuwabara, and Mr. Mikiharu Noma is currently Outside Director of the Company. As of the close of this General Meeting of Shareholders, Mr. Koichi Kawana will have served as Outside Director for approximately two years, and Ms. Satoko Kuwabara and Mr. Mikiharu Noma will have served for approximately five years.
 2. Independence as Outside Director
The Company believes that Mr. Koichi Kawana, Ms. Satoko Kuwabara, Mr. Mikiharu Noma, and Mr. Toshio Shimada, who are candidates for Outside Director of the Company, all satisfy the Company's Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members (please refer to "Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members" on page 21) and thus have no risk of conflicts of interest with general shareholders and have a high degree of independence. The Company has filed a notification with the Tokyo Stock Exchange that each of the candidates would be Independent Directors/Audit & Supervisory Board Members as defined in the rules of the Tokyo Stock Exchange and would be the Independent Directors/Audit & Supervisory Board Members of the Company after the election at this Ordinary General Meeting of Shareholders.
 3. The Company does not intend to conclude with each of the candidates for Outside Director a Liability Limitation Agreement provided for in Article 427, Paragraph 1 of the Companies Act.
 4. The Company does not intend to conclude with each of the candidates for Director an Indemnification Agreement provided for in Article 430-2, Paragraph 1 of the Companies Act.
 5. The Company has concluded a Directors and Officers Liability (D&O) Insurance Policy prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and the overview of said insurance policy is as stated in page 42 of the Business Report. If this Proposal is approved and adopted as proposed, each of the Directors will be included as an insured under the policy. In addition, the Company plans to renew the policy with the same terms at the time of its renewal.
 6. There are no special interests between each of the candidates for Director and the Company.

Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members (Reference)

The Company has prescribed the following “Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members” and has nominated Outside Directors and Outside Audit & Supervisory Board Members based on these standards.

Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members

In order for the Outside Directors and Outside Audit & Supervisory Board Members of the Company to be judged as being independent, such Outside Directors and Outside Audit & Supervisory Board Members must not fall under any of the following items.

1. Any person who purports to be a major business partner of the Company (including group companies of the Company; the same applies hereinafter)
2. Any Executive Director, Executive Officer, Manager or other employee of a company that purports to be a major business partner of the Company
3. Any person who is a major business partner of the Company
4. Any Executive Director, Executive Officer, Manager or other employee of a company that is a major business partner of the Company
5. Any attorney-at-law, certified public accountant, certified public tax accountant, consultant or other expert who receives monies or other economic benefits above a certain amount from the Company, in addition to his or her remuneration as a Director or Audit & Supervisory Board Member
6. Any person belonging to a company, association or other organization such as a law firm, auditing firm, tax accountant corporation and consultancy which receives monies or other economic benefits above a certain amount from the Company
7. Any person receiving donations or subsidies from the Company above a certain amount
8. Any person who is a Board member or other Executive Officer in a company, association or other organization which receives donations or subsidies from the Company above a certain amount
9. If an Executive Director or Full Time Audit & Supervisory Board Member of the Company concurrently holds a position as an Outside Director or Outside Audit & Supervisory Board Member at another company, any person who is an Executive Director, Executive Officer, Manager or other employee of that company
10. Any person who has come under one of the categories listed in items 1 through 9 above in the past five years
11. If a person coming under one of the categories listed in items 1 through 9 above is an important person, that person's spouse or relative within the second degree of kinship
12. The spouse or relative within the second degree of kinship of any person who is a Director, Executive Officer, Manager or other important employee of the Company or its subsidiaries

(Notes) 1 In items 1 and 2, where it reads “any person who purports to be a major business partner of the Company,” this means “any person (or company) who has received a payment from the Company 2% or more of its annual consolidated net sales for the most recent business year.”

2 In items 3 and 4, where it reads “any person who is a major business partner of the Company,” this means “any person (or company) who has paid to the Company an amount 2% or more of the Company's annual consolidated net sales for the most recent business year, or any person (or company) who has provided the Company with a loan of an amount 2% or greater of the value of the Company's consolidated total assets as of the end of the most recent business year.”

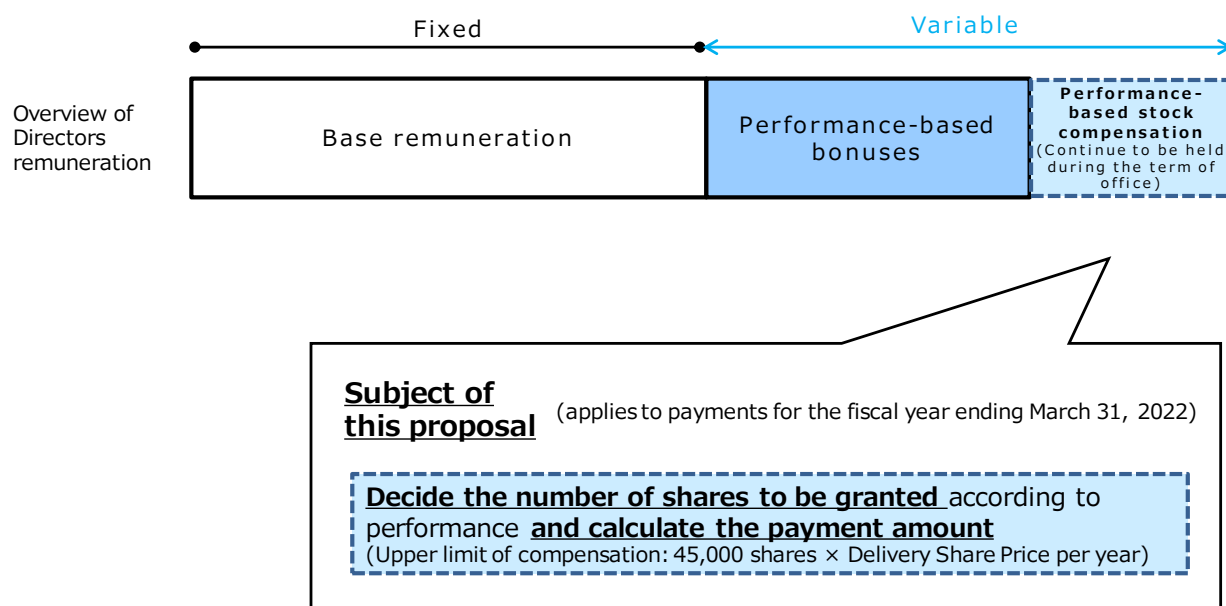
3 In items 5, 7 and 8, where it reads “a certain amount,” this means “¥10 million a year.”

4 In item 6, where it reads “a certain amount,” this means “2% or more of the total net sales for that company, association or organization for the most recent business year, or ¥100 million; whichever is greater.”

Proposal No. 3: Determination of Performance-based Stock Compensation Plan for Directors
(Continuation)

The Company seeks approval for continuation of the performance-based stock compensation plan for Directors excluding Outside Directors of the Company (hereinafter “Eligible Directors”), which provides monetary compensation claims for delivering common stock of the Company and cash with an upper limit that is the amount obtained by multiplying 45,000 shares (0.02% of the total number of shares issued) by the share price at the time of delivery (as defined in (2) (*3) below ; hereinafter referred to as the “Delivery Share Price”) in the fiscal year ending March 31, 2022 (the continued stock compensation plan is hereinafter referred to as the “Plan”).

(Reference) For an overview of the remuneration of the Company’s Directors (excluding Outside Directors), please see the figure below.



At the Thirteenth Ordinary General Meeting of Shareholders held on June 18, 2018, the Company obtained approval for the plan which provides monetary compensation claims for delivering common stock of the Company and cash with an upper limit that is the amount obtained by multiplying 45,000 shares by the Delivery Share Price (hereinafter the “Current Plan”) by making it conform to the “Mid-term Plan of the BANDAI NAMCO Group (From April 2018 to March 2021)” started in April 2018 (hereinafter the “Mid-term Plan”).

Now that the Mid-term Plan ended in March 2021, the Company seeks to continue the content of the Current Plan in the fiscal year ending March 31, 2022 in order to drive shared value with shareholders and promote continuous improvement in corporate value. Accordingly, the Company wishes to set the total amount of monetary compensation claims and cash to be provided as performance-based stock compensation to within the amount obtained by multiplying 45,000 shares by the Delivery Share Price.

Under the Plan, the Company’s common stock and cash are delivered or provided to Eligible Directors in accordance with a number of payment share units determined in accordance with the degree of attainment of the performance target for consolidated operating profit of the Company in the fiscal year ending March 31, 2022 (hereinafter “Evaluation Fiscal Year”), based on a reference number of share units determined in advance in accordance with the roles and so forth of the Eligible Directors. The number of payment share units is determined based solely on performance, and payment is made only when consolidated operating profit is 60,000 million yen or higher, with the number of payment share units increasing gradually until consolidated operating profit reaches 75,000 million yen (which is the performance target for consolidated operating profit for the Evaluation Fiscal Year). Under this design, changes in the share price can be reflected directly in the amount of compensation. Whether or not to make such payment and the number of payment share units are determined based on performance in the Evaluation Fiscal Year.

In regard to the common stock of the Company to be delivered under the Plan, as with the Current Plan, sale of the shares shall be restricted during the terms of office of Directors, etc., and Directors, etc. shall continue to hold the shares until their retirement in order to continue to ensure shared value with our shareholders during the terms of office of Directors, etc. Therefore, to enable allocation of funds for payment of tax arising when the shares of the common stock of the Company are delivered to Eligible Directors, a cash payment shall be made in the amount obtained by converting a portion of the determined number of payment share units at the Delivery Share Price.

If Proposal No. 2 is approved and adopted as proposed, the number of Eligible Directors will be eight.

The content of the Plan is as follows:

(1) Overview of the Plan

Under the Plan, common stock of the Company (*) and cash (hereinafter the “Company’s Shares, Etc.”) shall be delivered or provided to Eligible Directors according to the degree of attainment of the performance target for consolidated operating profit in the Evaluation Fiscal Year. The Company’s Shares, Etc. shall be delivered or provided only when consolidated operating profit is 60,000 million yen or higher, and the payment ratio shall become 100% when consolidated operating profit reaches 75,000 million yen.

(*) Method of delivering the Company’s common stock under the Plan

The Company shall provide monetary compensation claims as remuneration to Eligible Directors, who shall pay in the monetary compensation claims as property contributed in kind to receive the Company’s common stock.

However, for Eligible Directors who are non-residents of Japan, in place of the delivery of the Company’s common stock, they shall be provided with cash in the amount obtained by converting all of the determined number of share units at the Delivery Share Price.

(2) Calculation method of the number of the Company’s Shares, Etc., and the total amount of the Company’s Shares, Etc., to be delivered or provided to Eligible Directors

Using the predetermined reference number of share units for Eligible Directors as the basis for calculation, the number of shares of common stock of the Company and amount of cash to be delivered or provided are calculated according to the amount of consolidated operating profit of the Company for the Evaluation Fiscal Year based on the formula below.

(a) The number of shares of common stock of the Company to be delivered to each Eligible Director

Number of payment share units \times 50% (with any resulting odd-lots of less than 100 shares rounded up)

(Note 1) Number of payment share units = Predetermined reference number of share units (*1) \times Ratio according to the consolidated operating profit of the Company for the Evaluation Fiscal Year (payment ratio) (*2) (with any resulting odd-lots of less than 100 shares rounded down)

(Note 2) As stated in (1) (*) above, the remuneration that is actually provided to Eligible Directors is monetary compensation claims corresponding to the amount obtained by multiplying the number of the abovementioned shares of common stock of the Company by the Delivery Share Price (*3) that are to be used for making payment as property contributed in kind upon delivery of the Company’s common stock.

(b) The amount of cash to be provided to each Eligible Director

(Number of payment share units – The number calculated in (a) above) \times Delivery Share Price

(*1) Reference number of share units shall be predetermined based on the roles and responsibilities of each Eligible Director.

(Reference) If Proposal No. 2 is approved and adopted as proposed, the reference number of share units for Eligible Directors for the fiscal year ending March 31, 2022 will be as shown in the table below. When a Director of the Company serves concurrently as the president and representative director of one of the five business management companies of the Group, namely BANDAI NAMCO Entertainment Inc. (“BNE”), BANDAI CO., LTD. (“BC”), BANDAI NAMCO Arts Inc. (“ARTS”), SUNRISE INC.

(“SR”), and BANDAI NAMCO Amusement Inc. (“BNAM”), or BANDAI SPIRITS CO., LTD. (“BSP”), the reference number of share units for the president and representative director of the relevant business management company or BSP is applied. Moreover, when a Director serves concurrently as the president and representative director of two or more of the business management companies and BSP, the highest of the reference numbers of share units for the president and representative director of the relevant business management companies or BSP is applied. If a Director serves multiple positions concurrently as described above, the respective business management companies and BSP, in which the relevant Director holds concurrent positions, will provide the relevant Eligible Director with monetary compensation claims and cash as remuneration in accordance with the predetermined rules.

(Reference number of share units)

	The Company	BNE	BC	ARTS	SR	BNAM	BSP
President and representative director	6,600	6,000	5,300	4,600	3,300	2,900	4,700
Chairman and director	4,600	—	—	—	—	—	—
Director	3,300	—	—	—	—	—	—

- (*2) The Company’s Shares, Etc. shall not be provided if consolidated operating profit does not reach 60,000 million yen. If consolidated operating profit is 75,000 million yen or greater, 100% of the Company’s Shares, Etc. shall be provided. The specific method for determining the payment ratio is as follows.

Consolidated operating profit	Payment ratio
Less than 60,000 million yen	0%
60,000 million yen or more but less than 75,000 million yen	$[50 + \{(\text{Amount of consolidated operating profit (in 100 million yen)} - 60,000 \text{ million yen}) \div 100 \text{ million yen}\} \div 3]\%$
75,000 million yen or more	100%

- (*3) Delivery Share Price is the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution at the Board of Directors Meeting for delivering the Company’s common stock related to the Plan to be held within two months from the date of the Ordinary General Meeting of Shareholders for the Evaluation Fiscal Year stipulated in (3) below (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).

The upper limit for the total amount of monetary compensation claims (to be used as property contributed in kind in payment for common stock of the Company) and cash for the Evaluation Fiscal Year shall be the amount obtained by multiplying 45,000 shares by the Delivery Share Price. Of this, the upper limit for the total number of shares of common stock of the Company that can actually be delivered to the Eligible Directors shall be 22,500 shares (0.01% of the total number of shares issued). However, at the close of this Ordinary General Meeting of Shareholders or thereafter, if the Company carries out a share split (including allotments of shares of common stock of the Company without receipt of monetary consideration; the same shall apply hereinafter to share splits mentioned below) or share consolidation of

the common stock of the Company, the abovementioned numbers of shares shall be adjusted in accordance with the following formula, with any fractions less than one share resulting from the adjustment being rounded down.

Number of shares after adjustment = Number of shares before adjustment × Ratio of share split or share consolidation

(3) Requirements for delivering or providing the Company's Shares, Etc. to Eligible Directors

Under the Plan, the Company's Shares, Etc. shall be delivered or provided when the Evaluation Fiscal Year ends and Eligible Directors fulfill the following requirements.

The number of the Company's Shares, Etc. to be delivered or provided shall be decided at a Board of Directors Meeting for delivering the Company's common stock related to the Plan to be held within two months from the date of the Ordinary General Meeting of Shareholders for the Evaluation Fiscal Year.

- (a) The Eligible Director remained in office as a Director, etc. until the end of the Evaluation Fiscal Year.
- (b) The Eligible Director did not engage in any specified misconduct.
- (c) Other requirements that are deemed necessary and specified by the Board of Directors

The Company established a policy for determining contents of remuneration, etc. of individual Directors at the Board of Directors Meeting held on March 16, 2021, and an overview of the policy is as stated in pages 44 to 46 of the Business Report. The Plan based on this Proposal is in line with the policy and considered appropriate as a plan for driving shared value with shareholders and promoting continuous improvement in corporate value. Accordingly, the Company does not plan to change the policy even in the case where this Proposal is approved.

- (Reference) In the Current Plan, Directors of the five business management companies of the Group, BNE, BC, ARTS, SR, and BNAM, and BSP, who are not serving concurrently as Directors of the Company (hereinafter the "Eligible Subsidiary Directors") shall also be eligible for the same kind of performance-based stock compensation plans. Provided this Proposal is approved as proposed, the Company's Shares, Etc. shall continue to be delivered or provided to the Eligible Subsidiary Directors on the same terms and conditions as those stipulated in this Proposal.
- The upper limit for the total amount of monetary compensation claims (to be used as property contributed in kind in payment for common stock of the Company) and cash for the Evaluation Fiscal Year to be provided to the Eligible Subsidiary Directors shall be the amount obtained by multiplying 94,000 shares by the Delivery Share Price (when combined with the portion provided to Eligible Directors, the upper limit for the total amount shall be the amount obtained by multiplying 139,000 shares by the Delivery Share Price). Moreover, the upper limit for the total number of shares of common stock of the Company that can actually be delivered to the Eligible Subsidiary Directors shall be 47,000 shares (0.02% of the total number of shares issued) (when combined with the portion delivered to Eligible Directors, the upper limit for the total number of shares delivered shall be 69,500 shares (0.03% of the total number of shares issued)). However, if, at the close of this Ordinary General Meeting of Shareholders or thereafter, the Company carries out a share split or share consolidation of the common stock of the Company, the abovementioned numbers shall be adjusted in accordance with the formula and other methods set out in (2) above.

BUSINESS REPORTS

(From April 1, 2020 to March 31, 2021)

1. Current Status of the Group

(1) Business Status for This Fiscal Year

(i) Business Progress and Results

During the fiscal year ended March 31, 2021, the spread of the novel coronavirus disease (COVID-19) continued to have a significant impact on the overall economy and consumer activity in Japan and overseas. As part of our response against the spread of COVID-19, the Group has been giving the highest priority to the safety of our various stakeholders, including employees and their families and our customers, while implementing measures to prevent the spread of infection. We also promoted various measures to adapt to changes in lifestyles and preferences of customers such as by strengthening the sales and marketing that utilize digital strategies. In accordance with our three-year Mid-term Plan started in April 2018, in which we set forth the Mid-term Vision of “CHANGE for the NEXT: Empower, Gain Momentum, and Accelerate Evolution,” we have also been taking advantage of the worldview and unique characteristics of IP (Intellectual Property: meaning characters and other intellectual property) to further evolve the “IP axis strategy” that aims to maximize IP value through the provision of the optimal products and services at the optimal possible times. The measures also include an initiative to strengthen development in regions and businesses with high growth potential and an initiative to realize the total capabilities of the Group in regions around the world under the ALL BANDAI NAMCO concept.

During the fiscal year ended March 31, 2021, although each business was impacted by the spread of COVID-19, the Toys and Hobby Business saw increased popularity for products for the mature fan base in Japan and overseas and products utilizing new IP while the Network Entertainment Business enjoyed favorable performance of key titles in network content and strong repeat sales of home video game titles. The wide-ranging business portfolio has produced successful outcomes across the Group.

The Group recorded extraordinary losses for the fiscal year ended March 31, 2021 mainly due to loss on temporary store closures as a result of the spread of COVID-19 and structural reform costs in relation to the Real Entertainment Business.

Consequently, the Group’s consolidated results for the fiscal year ended March 31, 2021 were net sales of 740,903 million yen (year-on-year increase of 2.3%), operating profit of 84,654 million yen (year-on-year increase of 7.5%), recurring profit of 87,612 million yen (year-on-year increase of 9.8%), and profit attributable to owners of parent of 48,894 million yen (year-on-year decrease of 15.2%).

(ii) Outline of Business by Business Segment

(Millions of yen)

Business Segment	Net Sales			Operating Profit (Loss)		
	Year Ended March 31, 2020	Year Ended March 31, 2021	Change	Year Ended March 31, 2020	Year Ended March 31, 2021	Change
Toys and Hobby	253,714	296,016	Increase of 42,302	26,733	38,220	Increase of 11,487
Network Entertainment	328,079	344,150	Increase of 16,071	43,879	57,356	Increase of 13,477
Real Entertainment	91,753	63,923	Decrease of 27,830	(1,502)	(8,379)	Decrease of 6,877
Visual and Music Production	46,951	28,089	Decrease of 18,862	8,032	969	Decrease of 7,063
IP Creation	23,497	28,213	Increase of 4,716	6,269	2,740	Decrease of 3,529
Other	31,054	34,088	Increase of 3,034	1,346	1,445	Increase of 99
Eliminations and Corporate	(51,061)	(53,577)	Decrease of 2,516	(5,983)	(7,698)	Decrease of 1,715
Consolidated	723,989	740,903	Increase of 16,914	78,775	84,654	Increase of 5,879

(Note) As the Group changed its classification of business segments on April 1, 2020, the figures for the previous fiscal year have been restated according to the current classifications.

Toys and Hobby Business

As for the Toys and Hobby Business, in Japan, products for the mature fan base such as plastic models of the *Mobile Suit Gundam* series and collectible figures performed favorably due to the successful outcomes produced by sales, marketing, etc. that utilize digital strategies. There was a gain in popularity for long-established IP products such as the *KAMEN RIDER* series, as well as for new IP toys and peripheral products such as confectionery. Overseas, while business was affected by the temporary closures of retail stores, products such as those for the mature fan base performed stably, primarily in the Asian region.

As a result, net sales in the Toys and Hobby Business were 296,016 million yen (year-on-year increase of 16.7%), and operating profit was 38,220 million yen (year-on-year increase of 43.0%).

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

Network Entertainment Business

As for the Network Entertainment Business, in network content, key titles being distributed worldwide such as the *DRAGON BALL* series and *ONE PIECE*, and key titles in Japan such as *The iDOLM@STER* series, continued to perform favorably due to ongoing measures targeting users. In home video games, in addition to the new titles such as *Little Nightmares II*, repeat sales of existing titles such as the *DRAGON BALL* series, *TEKKEN 7*, and the *DARK SOULS* series enjoyed popularity, primarily overseas, due to ongoing measures targeting users and increased demand for digital sales.

As a result, net sales in the Network Entertainment Business were 344,150 million yen (year-on-year increase of 4.9%), and operating profit was 57,356 million yen (year-on-year increase of 30.7%).

Description of Business	
Planning, development, and distribution of network content; planning, development, and sales of home video games, etc.	

Real Entertainment Business

As for the Real Entertainment Business, the temporary closures of amusement facilities, etc. in Japan and overseas in response to the spread of COVID-19 had a significant impact on facilities operations and the sale of amusement machines. On the other hand, in response to these changes in the business environment, we promoted initiatives that only BANDAI NAMCO can offer, such as offering claw crane games that can be played online and strengthening the use of Group products and services. In addition to recording the fixed costs incurred during the temporary closures of facilities, etc. in response to the official requests from the national and local governments as loss on temporary store closures and other related to COVID-19, the Company recorded an extraordinary loss of 11.7 billion yen as expenses associated with the business structure reform.

As a result, net sales in the Real Entertainment Business were 63,923 million yen (year-on-year decrease of 30.3%), and operating loss was 8,379 million yen (operating loss for the previous fiscal year was 1,502 million yen).

Description of Business
Real entertainment business, including planning, development, production, and sales of amusement machines, and planning and operation of amusement facilities, etc.

Visual and Music Production Business

As for the Visual and Music Production Business, although IP related visual and music package software, among others, including the *LoveLive!* series and *The iDOLM@STER* series, continued to be sold, live events were canceled due to the spread of COVID-19, and releases of visual and music products and the launch of their package software titles were postponed due to delays in production schedules, among other reasons, which impacted business performance. On the other hand, in response to these changes in the business environment, we streamed live events without spectators and carried out other new initiatives for live events suited to these environmental changes.

As a result, net sales in the Visual and Music Production Business were 28,089 million yen (year-on-year decrease of 40.2%), and operating profit was 969 million yen (year-on-year decrease of 87.9%).

Description of Business
Planning, production, and management of visual and music content; artist discovery and development; and live entertainment operations

IP Creation Business

As for the IP Creation Business, we stirred up public attention by producing video works such as the *Mobile Suit Gundam* series and the *LoveLive!* series, and disseminating information on IP from *GUNDAM FACTORY YOKOHAMA*, leading to those series gaining popularity. In addition, because SOTSU CO., LTD., which became a consolidated subsidiary of the Company in the previous fiscal year, belonged to this business unit in the first quarter of the fiscal year ended March 31, 2021, goodwill was amortized despite recording the revenue of said company.

As a result, net sales in the IP Creation Business were 28,213 million yen (year-on-year increase of 20.1%), and operating profit was 2,740 million yen (year-on-year decrease of 56.3%).

Description of Business
Planning and production of animations; management and administration of copyrights and other rights; production of music related to animations; and management and administration of music and masters related to animations

Other Businesses

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

As a result, net sales in the Other Businesses were 34,088 million yen (year-on-year increase of 9.8%), and operating profit was 1,445 million yen (year-on-year increase of 7.4%).

Description of Business
Businesses supporting the Units in such areas as distribution, logistics, printing, and administrative services

(iii) Capital Expenditures

In this fiscal year, the Group carried out 22,769 million yen in capital expenditures; the funds were primarily used for investments in the manufacturing of molds associated with the production of new products and in amusement facilities and machines.

(iv) Financing

The Group procured required funds of 20,000 million yen as borrowings from financial institutions in the fiscal year ended March 31, 2021.

(v) Status of Significant Corporate Restructuring

- The Company acquired additional shares of SOTSU CO., LTD., a subsidiary of the Company, making it a wholly-owned subsidiary on May 15, 2020.
- BANDAI NAMCO Entertainment Europe S.A.S., a subsidiary of the Company, acquired shares of Reflector Entertainment Ltd., making it a consolidated subsidiary on October 22, 2020.

(2) Status of Assets and Profits & Losses for the Previous Three Fiscal Years

Fiscal Year Classification	13th Fiscal Year (Year Ended March 31, 2018)	14th Fiscal Year (Year Ended March 31, 2019)	15th Fiscal Year (Year Ended March 31, 2020)	16th Fiscal Year (Year Ended March 31, 2021) (This Fiscal Year)
Net sales (Millions of yen)	678,312	732,347	723,989	740,903
Operating profit (Millions of yen)	75,024	84,045	78,775	84,654
Recurring profit (Millions of yen)	75,380	86,863	79,797	87,612
Profit attributable to owners of parent (Millions of yen)	54,109	63,383	57,665	48,894
Basic earnings per share	¥246.29	¥288.40	¥262.39	¥222.58
Total assets (Millions of yen)	540,490	612,955	619,819	732,782
Net assets (Millions of yen)	387,354	429,644	454,684	511,433
Net assets per share	¥1,758.99	¥1,952.00	¥2,045.25	¥2,323.98

(3) Important Parent Company and Subsidiaries (As of March 31, 2021)

(i) Status of the Parent Company

Not applicable.

(ii) Important Subsidiaries

Name of Company	Capital	Ownership Ratio	Description of Principal Business
BANDAI CO., LTD.	¥10,000 million	100.0%	Planning, development, production, and sales of toys, capsule toys, cards, candy toys, confectionery and foods, apparel, sundries, etc.
BANDAI NAMCO Entertainment Inc.	¥10,000 million	100.0%	Planning, distribution, and sales of entertainment content such as network content and home video games
BANDAI NAMCO Amusement Inc.	¥100 million	100.0%	Planning, development, operation and sales of facilities, machines and services related to real entertainment
BANDAI NAMCO Arts Inc.	¥2,182 million	100.0%	Planning, production, and management of visual and music content; artist discovery and development; production of live events, etc.
SUNRISE INC.	¥300 million	100.0%	Planning and production of animations; management and administration of copyrights
BANDAI NAMCO Holdings USA Inc.	US\$ 10	100.0%	Pure holding company as state and regional headquarters in the Americas
BANDAI NAMCO Holdings France S.A.S.	€ 21,690 thousand	100.0%	Pure holding company in Europe
BANDAI NAMCO Holdings UK LTD.	£ 60,000 thousand	100.0%	Pure holding company as regional headquarters in Europe
BANDAI NAMCO Holdings ASIA CO., LTD.	HK\$ 103,000 thousand	100.0%	Pure holding company as regional headquarters in Asia (excluding China)
BANDAI NAMCO Holdings CHINA CO., LTD.	RMB 189,964 thousand	100.0%	Pure holding company as regional headquarters in China

- (Notes)
1. BANDAI NAMCO Amusement Inc. carried out a capital reduction of 9,900 million yen in March 2021.
 2. SUNRISE INC. carried out a capital increase of 250 million yen in March 2021.
 3. BANDAI NAMCO Holdings UK LTD. carried out a capital increase of 9,500 thousand British pounds in September 2020.
 4. There are no special wholly owned subsidiaries at the end of this fiscal year.

(4) Issues to be Addressed

Based on the Group's Corporate Philosophy to provide "Dreams, Fun and Inspiration" to people around the world through its products and services as a member of society, the Group will respond to demands and expectations from society and customers while continuing to take measures to prevent the spread of COVID-19. If the spread of COVID-19 continues throughout the world, it may cause an impact on consumption due to factors including the closure of sales outlets, as well as the postponement or cancellation of events and an associated impact on promotion, an impact on the development and production schedule of products, services and visual products, an impact on the manufacturing schedule, and the closure of amusement facilities or the like. The Group gives the highest priority to the safety of its various stakeholders such as employees, their families and the Group's customers and will continue to take measures to prevent the spread of COVID-19, such as thorough hygiene management, business operations based on the requirements issued by the national governments and local governments of each country and region, and response to diversification of working styles. With regard to business operations, we will continue to gather information and take flexible measures to minimize the impact of COVID-19 and swiftly respond to changes in lifestyles through enhanced utilization of digital technology. Furthermore, each business in each region will address the various issues it faces by further working as one under the ALL BANDAI NAMCO concept for continued medium- and long-term growth based on the IP axis strategy and push forward with strategies corresponding to the issues in the next Mid-term Plan scheduled to start from April 2022.

(i) Issues to be Addressed Group-wide

To Fulfill our Corporate Social Responsibility (CSR)

Guided by our vision of becoming "The Leading Innovator in Global Entertainment," the Group's mission is to continue to provide "Dreams, Fun and Inspiration" to people around the world through its various products and services that utilize IP. We believe that the Group's raison d'être is to contribute to the creation of a world where people throughout the world can communicate in ways that transcend the barriers of national borders and languages through IP.

To continue to provide "Dreams, Fun and Inspiration" through entertainment to people throughout the world, in addition to setting themes which need to be particularly focused on across the Group as the "Important CSR Themes," the Group has formulated not only the CSR initiatives, which crosscut the entire Group and include three types of responsibilities—environmental and social responsibilities, economic responsibilities, and legal and ethical responsibilities (compliance)—but also the Group Compliance Charter as a code of conduct to be complied with by all Group employees. In accordance with these principles, the "Group CSR Committee" and its task force, the "Group CSR Subcommittee," as well as the "Group Risk Compliance Committee," the "Group Information Security Committee," and the "Internal Control Committee" hold meetings and have been striving to continuously implement a range of measures such as educational activities inside the Group with the aim of raising awareness in the Group. In addition, by the executives of the Group themselves taking various opportunities to deliver messages on the Group's Corporate Philosophy and the responsibility and pride of being involved in entertainment, the Group has been striving to deepen understanding within the Group itself.

<Formulation of the BANDAI NAMCO Group Sustainability Policy (April 2021)>

The Group has formulated the "BANDAI NAMCO Group Sustainability Policy" to, under the IP axis strategy, work with fans to promote sustainability activities corresponding to social issues that should be addressed by the Group in order to fulfill our responsibility as a member of society in realizing a sustainable society. Furthermore, as part of the policy, we will promote the identification of material issues for activities toward the next Mid-term Plan (reselection of Important Themes), and establish targets for reducing energy-related carbon dioxide emissions and work toward achieving the targets.

<The BANDAI NAMCO Group Sustainability Policy>

Under the IP axis strategy, we will work with fans to promote sustainability activities corresponding to social issues that should be addressed by the Group.

Targets for Decarbonization

Target	By 2050 Reduce the amount of energy-related carbon dioxide emissions at Group business sites (offices, owned plants, directly operated amusement facilities, etc.) to net-zero
Mid-term target	By 2030 A 35% reduction compared with fiscal year ended March 2020 (a 50% reduction compared with fiscal year ended March 2014) in energy-related carbon dioxide emissions at Group business sites
Main initiatives	Further promotion of energy-saving measures and introduction of renewable energy, etc.

To Further Strengthen the IP Axis Strategy

The Group will strive to further accelerate the evolution of its IP axis strategy in order to respond to changes in the environment such as the emergence of oligopolies in the distribution and media fields, the widespread penetration of networks, increasingly diverse platforms, technological improvements, and intensifying competition in the global market. With regard to creation of new IP, the “IP Production Unit,” which is a new Unit whose mission is to create IP, will work to strengthen the capability to create IP through collaboration with various businesses of the Group and external partners. We will strengthen our capability for new IP creation in various ways including the creation of product and service-originated IP and visual product-originated IP, the utilization of the “BANDAI NAMCO Content Fund,” which invests with a focus on overall optimization, and collaboration with partner companies and creators through the “DREAM SUPPORT PROJECT,” which supports next-generation creators. To maximize IP value, we will promote collaboration among businesses and cross-functional projects in the Group, create and develop new businesses, expand the regions for product and service roll-out, and respond swiftly to new platforms.

To promote the initiatives to create IP and maximize IP value, the Group will proactively make investments. Furthermore, with a focus on overall optimization of the Group, we will strengthen the IP axis strategy over the medium and long term, with a focus on strategic efforts across the Group such as the worldwide distribution of long-established IP products such as the *Mobile Suit Gundam* series and the *DRAGON BALL* series, and new IP creation projects. In addition to these, in promoting the IP axis strategy, in order to conduct activities that respect IP itself and the worldviews of each IP, the Group will coordinate with partner companies and government administrations to take measures such as the elimination of counterfeit products and educational activities to protect intellectual properties.

To Expand our Business in the Global Market

We believe it is crucial to achieve business expansion in the global market in order for the Group to maintain continued medium- and long-term growth. In order to conduct businesses in the Americas, Europe, and Asia according to the characteristics of each region, we have built a system in which regional headquarters companies and each regional company will work as one to address issues under the ALL BANDAI NAMCO concept. Going forward, the Group will further strengthen the collaboration among businesses in response to the reorganization of the Group and work to strengthen its IP portfolio through such measures as developing IP originating in each region in addition to the

overseas distribution of IP products and services originating in Japan. With regard to the Chinese market, which is positioned as a key region, the Group has strengthened the foundations to work as one to address issues under the ALL BANDAI NAMCO concept while also initiating work for a full-scale business expansion by coordinating closely with local partner companies instead of working alone. Furthermore, with the aim of developing global human resources, the Group will promote development through not only recruitment of diverse human resources but also personnel exchanges and training across regions and businesses.

To Respond to Advances and Changes in Technology

Advances in technology including digitalization have caused more diversification in the options concerning entertainment and speedier changes in preferences and lifestyles of customers, as well as increasingly intense competition on a global scale. The Group will proactively work on new value creation, response to new platforms, and business model reforms according to preferences and lifestyles of customers, without being bound by traditional business models. The Group will promote these efforts by coordinating closely with Japanese and foreign partner companies, creators, etc.

(ii) Issues Specific to Each Unit

Entertainment Unit

<Digital Business>

This Unit's industry is facing issues that include "increasingly diverse platforms," "technological improvements of networks, etc.," "increasingly diverse customer needs" and "rising costs for development investment." To address these issues, in the development of products and services, it will target long-term development of products/services through continuous customer-oriented measures, including the development of titles carefully selected with a strong emphasis on quality, the offering of value even after release through updates and additional content, and the holding of events. In addition, it will offer titles suited to the characteristics of each platform and use new platform launches as opportunities to capture new customers. It will also endeavor to create new entertainment and business models that respond to technological improvements of networks, etc., over and above the boundaries of existing operations and products/services. In addition, it will further strengthen technological research to enable a swift response to technological advances, environmental changes, and new platforms.

<Toys and Hobby Business>

This Unit's industry is facing issues such as a "shrinking domestic market due to the falling birthrate," "increasingly diverse customer needs" and "geographic concentration of product manufacturing." This Unit is addressing these issues by aiming to take a dominant position as No. 1 in the industry in Japan, working at expanding its target demographic and creating new businesses. Overseas, it will continue to aim for medium- and long-term growth by implementing initiatives such as expanding the business in products for the mature fan base, making a full-scale business expansion in the Chinese market, and strengthening e-commerce sales. In addition, on the development and production side, through improvements in the value chain, this Unit will work to make its product development more competitive in terms of speed and quality, along with price competitiveness. This Unit is also taking extensive steps to ensure compliance with the applicable laws and regulations and the quality and safety standards set by the industry by enhancing quality and safety through various initiatives including the establishment of our own stricter quality standards and the implementation of periodic C.O.C. (Code of Conduct) audits on the factories of contracted manufactures. This Unit has established its own product manufacturing operations in multiple countries, including Japan, Thailand, the Philippines, and Vietnam, and in addition, it strives for a wide distribution of geographic locations for contracted manufacturing on the strict precondition of never compromising quality standards.

IP Production Unit

<Visual and Music Business/Creation Business>

This Unit's industry is facing issues such as "intensification of competition in IP creation," "increasingly diverse customer needs" and "development of excellent human resources." To address these issues, it consolidates the studio function and the production function to strengthen the more diverse capabilities to create IP which enable it to produce a synergy effect through collaboration not only within the Unit but also with various businesses of the Group and external partners. In addition, it will invest aggressively in enhancing our visual production and production technologies and strive to make creators permanent employees and nurture their talents. It will also work to create new entertainment that fuses visuals, music, and live events and digital technology.

Amusement Unit

This Unit's industry is facing issues such as "increasingly diverse customer needs" and "intensification of changes in the environment." To address these issues, in the facilities business and the amusement machines business, it will conduct a uniquely BANDAI NAMCO style of business development in such ways as utilizing IP along with the resources of the businesses of the Group, and work to build a strong business foundation to generate earnings stably under a more unified framework for collaborating with the Group's other businesses. As the Group's important point of contact with customers under the IP axis strategy, the Unit will also fulfill the role of selling the products and services of the Group, promoting IP and collecting information on customer needs.

We ask for our shareholders' further assistance and guidance.

(Note) "(4) Issues to be Addressed" is described in the new business segments that took effect on April 1, 2021.

(5) Principal Business Offices of the Group (As of March 31, 2021)

(i) The Company

Head Office	5-37-8 Shiba, Minato-ku, Tokyo
-------------	--------------------------------

(ii) Principal Subsidiaries

BANDAI CO., LTD.	Taito-ku, Tokyo
BANDAI NAMCO Entertainment Inc.	Minato-ku, Tokyo
BANDAI NAMCO Amusement Inc.	Minato-ku, Tokyo
BANDAI NAMCO Arts Inc.	Shibuya-ku, Tokyo
SUNRISE INC.	Suginami-ku, Tokyo
BANDAI NAMCO Holdings USA Inc.	California, U.S.A.
BANDAI NAMCO Holdings France S.A.S.	Puteaux, France
BANDAI NAMCO Holdings UK LTD.	London, U.K.
BANDAI NAMCO Holdings ASIA CO., LTD.	Hong Kong, China
BANDAI NAMCO Holdings CHINA CO., LTD.	Shanghai, China

(6) Outline of Employees (As of March 31, 2021)

(i) Employees of the Group

Business Segment	Number of Employees		Change from the End of Previous Fiscal Year	
Toys and Hobby Business	3,191	(2,012)	Increase of 132	(Decrease of 730)
Network Entertainment Business	2,971	(609)	Increase of 314	(Increase of 24)
Real Entertainment Business	1,564	(5,611)	Decrease of 67	(Decrease of 695)
Visual and Music Production Business	405	(19)	Increase of 30	(Increase of 4)
IP Creation Business	462	(4)	Increase of 59	(Increase of 2)
Other Businesses	871	(913)	Increase of 27	(Increase of 46)
Corporate (Common)	86	(1)	Increase of 3	(Increase of 1)
Total	9,550	(9,169)	Increase of 498	(Decrease of 1,348)

- (Notes) 1. The number of employees refers to the employees actually at work.
2. The average numbers of temporary personnel employed for this fiscal year are presented separately in parentheses.
3. As the Group partially changed its classification of business segments in this fiscal year, the changes in the number of employees from the end of the previous fiscal year indicate the difference calculated by subtracting the numbers in the previous fiscal year that have been restated according to the classification of business segments after the change.
4. The number of employees listed for “Corporate (Common)” is the number of employees in the administration sectors, etc. of the Company, BANDAI NAMCO Holdings USA Inc., BANDAI NAMCO Holdings France S.A.S., BANDAI NAMCO Holdings UK LTD., BANDAI NAMCO Holdings ASIA CO., LTD., and BANDAI NAMCO Holdings CHINA CO., LTD.

(ii) Employees of the Company

Number of Employees	Change from the End of Previous Fiscal Year	Average Age	Average Years of Service
25 (-)	Increase of 1 (-)	45.7	17.8

- (Notes) 1. The number of employees refers to the employees actually at work.
2. The average number of temporary personnel employed for this fiscal year is presented separately in parentheses.
3. In calculating the average years of service, with respect to the employees who have transferred from other Group companies to the Company, the aggregate number of each employee's years of service at each company is used for calculation.

(7) Principal Lenders (As of March 31, 2021)

Lenders	Amount
MUFG Bank, Ltd.	¥7,255 million
Sumitomo Mitsui Banking Corporation	¥7,125 million
Mizuho Bank, Ltd	¥6,156 million

(8) Other Important Matters of the Group

Not applicable.

2. Current Status of the Company

(1) Status of Shares (As of March 31, 2021)

- (i) Total Number of Shares Issuable: 1,000,000,000 shares
- (ii) Total Number of Issued Shares: 222,000,000 shares
- (iii) Number of Shareholders: 33,495 (Decrease of 1,068 from the end of the previous fiscal year)
- (iv) Major Shareholders (Top 10 Shareholders)

Name of Shareholders	Number of Shares Held	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	34,710,400	15.78
Custody Bank of Japan, Ltd. (Trust account)	17,339,900	7.88
JP MORGAN CHASE BANK 380815	10,780,000	4.90
XIL, LTD.	6,000,000	2.73
Kyoko Nakamura	5,703,200	2.59
The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust. MUFG Bank, Ltd. account)	4,586,100	2.08
MAL Ltd.	4,400,100	2.00
Nintendo Co., Ltd.	3,845,700	1.75
KOREA SECURITIES DEPOSITORY-SAMSUNG	3,348,000	1.52
STATE STREET BANK WEST CLIENT-TREATY 505234	3,242,002	1.47

- (Notes) 1. The shareholding ratio is calculated after reduction of the number of treasury stocks (1,999,265 shares).
2. Out of the above number of shares held, the numbers of shares relating to the trust business are as follows:
- | | |
|-----------------------------------------------------------------------------------------------------------|-------------------|
| The Master Trust Bank of Japan, Ltd. (Trust account) | 33,401,400 shares |
| Custody Bank of Japan, Ltd. (Trust account) | 16,770,300 shares |
| The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust. MUFG Bank, Ltd. account) | 4,586,100 shares |
3. The 4,586,100 shares owned by The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust. MUFG Bank, Ltd. account) were the shares of BANDAI CO., LTD. that were owned by UFJ Bank (currently MUFG Bank, Ltd.), entrusted for retirement and severance benefits. Those shares were exchanged with the Company's shares through the share transfer on September 29, 2005, and MUFG Bank, Ltd. directs the exercise of the voting rights pertaining to those shares.

(v) Status of Shares Delivered to Directors and Audit & Supervisory Board Members as Consideration for Their Execution of Duties During This Fiscal Year

The details of stock compensation delivered during this fiscal year are as follows:

- Total number of shares delivered to Directors and Audit & Supervisory Board Members

	Number of Shares	Number of Officers Eligible for Delivery
Directors (excluding Outside Directors)	6,700	3
Outside Directors	—	—
Audit & Supervisory Board Members	—	—

(2) Directors and Audit & Supervisory Board Members of the Company

(i) Directors and Audit & Supervisory Board Members (As of March 31, 2021)

Title	Name	Responsibilities in the Company and Major Concurrent Positions
President and Representative Director	Mitsuaki Taguchi	
Executive Vice President and Director	Masaru Kawaguchi	Responsible for Toys and Hobby Unit President and Representative Director of BANDAI CO., LTD.
Director	Shuji Ohtsu	Division General Manager of Group Administrative Headquarters President and Representative Director of BANDAI NAMCO Holdings USA Inc. President and Representative Director of BANDAI NAMCO Business Arc Inc. President and Representative Director of BANDAI NAMCO Will Inc.
Director	Yuji Asako	Division General Manager of the Corporate Planning Division
Director	Yasuo Miyakawa	Responsible for Network Entertainment Unit President and Representative Director of BANDAI NAMCO Entertainment Inc.
Director	Hitoshi Hagiwara	Responsible for Real Entertainment Unit President and Representative Director of BANDAI NAMCO Amusement Inc.
Director	Kazumi Kawashiro	Responsible for Visual and Music Production Unit President and Representative Director of BANDAI NAMCO Arts Inc.
Director	Makoto Asanuma	Responsible for IP Creation Unit President and Representative Director of SUNRISE INC. Chairman of SUNRISE SHANGHAI CO., LTD.
Director	Yuzuru Matsuda	Outside Director of KUBOTA Corporation Outside Director of JSR Corporation
Director	Satoko Kuwabara	Attorney-at-Law Partner of GAIEN PARTNERS Outside Auditor of Unicafe Inc. Outside Audit & Supervisory Board Member of Nippon Yusen Kabushiki Kaisha
Director	Mikiharu Noma	Professor at Graduate School of Business Administration, Hitotsubashi University Business School Outside Auditor of Nice Corporation
Director	Koichi Kawana	Outside Director (Audit and Supervisory Committee Member) of COMSYS Holdings Corporation Outside Director of TOKYO ELECTRON DEVICE LIMITED External Director of RENOVA, Inc.
Full Time Audit & Supervisory Board Member	Masataka Nagaike	
Full Time Audit & Supervisory Board Member	Toru Shinoda	Certified Public Accountant
Audit & Supervisory Board Member	Osamu Sudoh	Attorney-at-Law Partner of Sudoh & Partners Outside Audit & Supervisory Board Member of MITSUI-SOKO HOLDINGS Co., Ltd. Outside Corporate Auditor of Pronexus Inc. Statutory Auditor of Keikyu Corporation
Audit & Supervisory Board Member	Katsuhiko Kamijo	Certified Public Tax Accountant Outside Audit & Supervisory Board Member of The Resolution and Collection Corporation

- (Notes) 1. Directors Yuzuru Matsuda, Satoko Kuwabara, Mikiharu Noma and Koichi Kawana are Outside Directors.
2. Full Time Audit & Supervisory Board Member Toru Shinoda and Audit & Supervisory Board Members Osamu Sudoh and Katsuhiko Kamijo are Outside Audit & Supervisory Board Members.
3. Full Time Audit & Supervisory Board Member Toru Shinoda is a certified public accountant and has considerable knowledge of finance and accounting.
4. Audit & Supervisory Board Member Osamu Sudoh has considerable experience with bankruptcy issues as an attorney-at-law and has the deep knowledge of finance and accounting necessary to engage in such bankruptcy issues.
5. Audit & Supervisory Board Member Katsuhiko Kamijo is a certified public tax accountant and has considerable knowledge of finance and accounting.
6. The Company has appointed Outside Directors Yuzuru Matsuda, Satoko Kuwabara, Mikiharu Noma and Koichi Kawana and Outside Audit & Supervisory Board Members Toru Shinoda, Osamu Sudoh, and Katsuhiko Kamijo as Independent Directors/Audit & Supervisory Board Members as defined in the rules of the Tokyo Stock Exchange and has filed therewith the notification regarding their appointments.
7. President and Representative Director Mitsuaki Taguchi took office as Chairman and Director on April 1, 2021.
8. Executive Vice President and Director Masaru Kawaguchi retired from office as President and Representative Director of BANDAI CO., LTD. on March 31, 2021, and took office as President and Representative Director of the Company and Chairman & Director of BANDAI CO., LTD. on April 1, 2021.
9. Director Hitoshi Hagiwara retired from office as President and Representative Director of BANDAI NAMCO Amusement Inc. on March 31, 2021, and took office as Chairman & Director of BANDAI NAMCO Amusement Inc.
10. Director Kazumi Kawashiro retired from office as President and Representative Director of BANDAI NAMCO Arts Inc. on March 31, 2021.

(ii) Summary of Contracts Concerning Limited Liability

Not applicable.

(iii) Summary of the Contents of the Indemnification Agreement

Not applicable.

(iv) Summary of the Contents of the D&O Insurance Policy

The Company concluded an insurance policy with an insurance company, under which Directors, Audit & Supervisory Board Members, Executive Officers, and those in a managerial or supervisory position of the Company and its subsidiaries are the insureds and the purpose of which is to compensate for damage arising from damages under law and court costs incurred by the insureds due to claims for damages filed by shareholders or third parties. The full amount of the insurance premiums is borne by the Company. However, there are some exemptions such as that no compensation is to be made if damage is caused by an act committed with the knowledge that such act violates a law or regulation.

(v) Directors and Audit & Supervisory Board Members Who Retired or Were Dismissed During This Fiscal Year

Not applicable.

(vi) Remuneration, etc. Paid to Directors and Audit & Supervisory Board Members

a. Total Amount of Remuneration, etc., Paid During This Fiscal Year

	Total Amount (Millions of yen)	Fixed remuneration		Variable remuneration			
		Monetary Compensation				Non-monetary Compensation	
		Base Remuneration		Performance-based Bonuses		Performance-based Stock Compensation	
		Number of People	Total Amount (Millions of yen)	Number of People	Total Amount (Millions of yen)	Number of People	Total Amount (Millions of yen)
Directors (Outside Directors)	546 (51)	8 (4)	220 (51)	3 (-)	224 (-)	3 (-)	101 (-)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	67 (43)	4 (3)	67 (43)	- (-)	- (-)	- (-)	- (-)
Total (Outside Directors and Outside Audit & Supervisory Board Members)	614 (94)	12 (7)	288 (94)	3 (-)	224 (-)	3 (-)	101 (-)

(Notes) 1. There are no employees serving as Directors.

- At the Tenth Ordinary General Meeting of Shareholders held on June 22, 2015, it was resolved that the remuneration limit for Directors is 850 million yen per fiscal year (of which 60 million yen is the limit for Outside Directors), and that of the 850-million-yen remuneration limit, 400 million yen is for the limit for base remuneration and the remaining 450 million yen is the limit for cash bonus. The number of Directors as of the close of the Ordinary General Meeting of Shareholders was 10 (of which, three were Outside Directors). It was also resolved at the Thirteenth Ordinary General Meeting of Shareholders held on June 18, 2018 that, in addition to that remuneration limit, the Company will provide monetary compensation claims and cash for delivering common stock of the Company as performance-based stock compensation, with an upper limit that is the amount obtained by multiplying 45,000 shares by the Delivery Share Price per year. The number of Directors as of the close of the Ordinary General Meeting of Shareholders was 11 (of which, three were Outside Directors). The Delivery Share Price is the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution at the Board of Directors Meeting for delivering the Company's common stock related to the performance-based stock compensation plan to be held within two months from the date of the Ordinary General Meeting of Shareholders pertaining to each evaluation fiscal year (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).
- The performance-based stock compensation portion of the above-mentioned amount of remuneration etc. shall be calculated based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on March 31, 2021, and when making actual payment, the Delivery Share Price will be applied.
- At the Ordinary General Meetings of Shareholders for BANDAI CO., LTD. and NAMCO LIMITED (currently BANDAI NAMCO Entertainment Inc.) held on June 23, 2005 and on June 25, 2005 respectively, it was resolved that the remuneration limit for Audit & Supervisory Board Members shall be 8 million yen per month. The number of Audit & Supervisory Board Members as of the close of the General Meeting of Shareholders was four.
- Each Director contributes a fixed proportion of the above base remuneration to the shareholding association for directors and officers to purchase the Company's shares and continues to hold such shares during his or her term of office.

6. The above performance-based stock compensation is stated in the amount recorded as expenses in this fiscal year and 50% of which is planned to be paid in cash. The Company plans to deliver 6,700 shares to three Directors.
- b. Policy and Procedures for Decisions on Remuneration, etc. for Directors

The details of the policy for decisions on remuneration, etc. for Directors are as follows:

(i) Basic policy

The remuneration system for Directors excluding Outside Directors of the Company has as its basic policy the creation of a remuneration framework which provides sustainable growth for the Company and improves the Company's corporate value in the medium and long term, by bringing out a healthy sense of entrepreneurship in its Directors while taking into account what level of remuneration will enable the Company to secure and retain top grade personnel, through promoting sharing of value with the shareholders and ensuring an adequate level of objectivity and transparency to fulfil its accountability obligations. Specifically, the remuneration framework comprises the base remuneration as fixed remuneration and performance-based bonuses and performance-based stock compensation as variable remuneration.

Remuneration for Outside Directors of the Company comprises base remuneration only, to ensure their independence from the Company, and the amount of remuneration for each Outside Director is determined at the Board of Directors Meetings.

Based on advice from the Personnel Committee, in the fiscal year ending March 2022, the Company continues to adopt the remuneration system under the previous Mid-term Plan (for three years from the fiscal year ended March 2019 to the fiscal year ended March 2021) for Directors excluding Outside Directors of the Company, as it is a period for preparing for the next Mid-term Plan.

(ii) Base remuneration

The base remuneration for Directors of the Company shall be monthly fixed remuneration paid in cash, and paid within a specific time period every month with the limit of 400 million yen per year pursuant to the resolution at the Tenth Ordinary General Meeting of Shareholders of the Company held on June 22, 2015. In addition, Directors excluding Outside Directors of the Company contribute a fixed proportion of the base remuneration to the shareholding association for directors and officers to purchase the Company's shares.

(iii) Performance-based remuneration

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 of the Company shall be paid according to the consolidated operating profit of the Group for each fiscal year, in an amount determined within a limit of the smaller of (i) 450 million yen as the limit for cash bonus per year pursuant to the resolution at the Tenth Ordinary General Meeting of Shareholders of the Company held on June 22, 2015 or (ii) 1.5% of the "profit attributable to owners of parent for the period", within a range of 0% to 200% of the predetermined base amount. For Executive Directors other than the President and Representative Director, the remuneration includes not only the portion based on evaluation of consolidated operating profit of the Group but also the portion based on evaluation of personal performance (qualitative evaluation). The remuneration shall be paid within a specific time period every year, after the end of the relevant fiscal year.

(iv) Stock compensation

The performance-based stock compensation (which corresponds to profit-related remuneration prescribed in the Corporation Tax Act) shall only be paid when the consolidated operating profit of the Group is 60,000 million yen or more, and whether compensation is paid

and what baseline is set shall be determined for each fiscal year. Under the framework, the number of reference share units shall be predetermined for each job rank, and common stock of the Company and cash corresponding to the number of payment share units, which has been finalized based on the degree of achievement of the consolidated operating profit target, shall be delivered or paid. Furthermore, the performance-based stock compensation shall 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.

(v) Remuneration structure

Remuneration criteria and ratios are determined by utilizing a management remuneration database with which data on remuneration are aggregated and analyzed by an external specialist organization, setting objective benchmarks in light of the scales of the Company's business operations and other factors, and comprehensively taking into consideration the proportion of fixed remuneration and variable remuneration in annual total remuneration and the proportion of medium- to long-term remuneration in variable remuneration. If the predetermined base business performance has been achieved, the ratio of fixed remuneration to variable remuneration in annual total remuneration shall be about 50:50, and 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, shall be slightly more than 20%.

(vi) Procedures for decisions on remuneration

The policy for remuneration, the remuneration framework, and the structure for performance-based remuneration for Directors excluding Outside Directors of the Company shall be decided at Board of Directors Meetings after receiving opinions from the Personnel Committee which is chaired by an Outside Director and of which a majority of the members are Outside Directors (independent Outside Directors), in order to elicit Outside Directors' adequate participation and appropriate advice.

c. Business Performance Targets, Results, and Payment Ratio, etc. Concerning Variable Remuneration for This Fiscal Year

The baseline business performance for performance-based bonuses (meaning the amount of consolidated operating profit at which the base amount is paid) and the baseline amount of consolidated operating profit for determining whether performance-based stock compensation is paid or not are both set at 60,000 million yen.

Consolidated operating profit for the fiscal year ended March 31, 2021 was 84,654 million yen, and the percentage achieved against the baseline business performance for this fiscal year was 141%; therefore, the payment ratio of performance-based bonuses (portion based on evaluation on the consolidated operating profit of the Group) was 200% and the payment ratio of performance-based stock compensation was 100%.

d. Reason Based on Which the Board of Directors Determined That Contents of Remuneration, etc. of Individual Directors for This Fiscal Year Are Consistent with the Decision Policy

When determining contents of remuneration, etc. of individual Directors, the Personnel Committee examines the original proposal from diverse viewpoints, including consistency with the decision policy, and thus the Board of Directors respects the opinions of the Committee and considers that it is basically consistent with the decision policy.

e. Policy and Procedures for Decisions on Remuneration for Audit & Supervisory Board Members

Remuneration for Audit & Supervisory Board Members of the Company comprises base remuneration only, with the amount set in accordance with their job positions, considering that they bear the duty to audit the execution of all businesses across the Group. The amount of

remuneration for each Audit & Supervisory Board Member is determined by the Audit & Supervisory Board Meetings.

(vii) Matters Concerning Outside Directors and Outside Audit & Supervisory Board Members

a. Status of Major Concurrent Positions of Other Companies, etc. and Relationships Between Those Companies, etc. and the Company

Major concurrent positions of Outside Directors and Outside Audit & Supervisory Board Members are as stated in “(i) Directors and Audit & Supervisory Board Members” on pages 41 and 42.

Moreover, there are no special relationships between the Company and the entities with which Outside Directors and Outside Audit & Supervisory Board Members have concurrent positions.

b. Main Activities in This Fiscal Year

(Directors)

	Board of Directors Meetings (Held 18 times)		Overview of Duties Performed Regarding Expected Roles
	Number of Meetings Attended	Attendance Rate	
Yuzuru Matsuda	18	100.0%	<p>We expect that he will utilize the insight gained from his experience of being involved in management as the head of a company to fulfill a role in which, from an objective standpoint independent of the management team, he proactively provides advice in a variety of contexts, including the formulation of management strategy of the Company, and drives decision-making on the appointment and remuneration of the management team members that is based on objective and reasonable evaluation of their business performance.</p> <p>During this fiscal year, he proactively provided advice on overall management at Board of Directors Meetings, etc., based on his wealth of experience and viewpoints from his time as a corporate manager. In addition, he attended all of the Personnel Committee meetings held seven times during this fiscal year as the committee chair and was involved in deliberations regarding the appointment and remuneration of the management team members, and contributed to decision-making on the appointment and remuneration of the management team members based on objective and reasonable evaluation of their business performance. Furthermore, he attended an Independent Directors and Audit & Supervisory Board Members Committee meeting held once during this fiscal year, and evaluated the appropriate functioning of the Board of Directors from an objective perspective.</p>

	Board of Directors Meetings (Held 18 times)		Overview of Duties Performed Regarding Expected Roles
	Number of Meetings Attended	Attendance Rate	
Satoko Kuwabara	18	100.0%	<p>We expect that she will utilize the insight gained from her many years of experience as an attorney-at-law to fulfill a role in which, from an objective standpoint independent of the management team, she supervises management of the Company mainly from a legal risk perspective, and in addition, drives decision-making on the appointment and remuneration of the management team members that is based on objective and reasonable evaluation of their business performance.</p> <p>During this fiscal year, she proactively provided advice at Board of Directors Meetings, etc., mainly from a legal risk perspective, based on her wealth of experience and viewpoints from her time as an attorney-at-law. In addition, she attended all of the Personnel Committee meetings held seven times during this fiscal year as a committee member and was involved in deliberations regarding the appointment and remuneration of the management team members, and contributed to decision-making on the appointment and remuneration of the management team members based on objective and reasonable evaluation of their business performance. Furthermore, she attended an Independent Directors and Audit & Supervisory Board Members Committee meeting held once during this fiscal year, and evaluated the appropriate functioning of the Board of Directors from an objective perspective.</p>

	Board of Directors Meetings (Held 18 times)		Overview of Duties Performed Regarding Expected Roles
	Number of Meetings Attended	Attendance Rate	
Mikiharu Noma	18	100.0%	<p>We expect that he will utilize the profound scholarly knowledge accumulated throughout his many years of study and teaching activities in the field of corporate strategy to fulfill a role in which, from an objective standpoint independent of the management team, he supervises management of the Company from a corporate strategy perspective, and in addition, drives decision-making on the appointment and remuneration of the management team members that is based on objective and reasonable evaluation of their business performance.</p> <p>During this fiscal year, he proactively provided advice at Board of Directors Meetings, etc., mainly from a corporate strategy perspective, based on his profound scholarly knowledge and viewpoints from his time accumulated throughout his study and teaching activities in the field of corporate strategy. In addition, he attended all of the Personnel Committee meetings held seven times during this fiscal year as a committee member and was involved in deliberations regarding the appointment and remuneration of the management team members, and contributed to decision-making on the appointment and remuneration of the management team members based on objective and reasonable evaluation of their business performance. Furthermore, he attended an Independent Directors and Audit & Supervisory Board Members Committee meeting held once during this fiscal year, and evaluated the appropriate functioning of the Board of Directors from an objective perspective.</p>

	Board of Directors Meetings (Held 18 times)		Overview of Duties Performed Regarding Expected Roles
	Number of Meetings Attended	Attendance Rate	
Koichi Kawana	18	100.0%	<p>We expect that he will utilize the insight gained from his experience of being involved in management as the head of a company and his extensive experience working overseas to fulfill a role in which, from an objective standpoint independent of the management team, he proactively provides advice in a variety of contexts, including the formulation of management strategy, overseas strategy in particular, of the Company, and drives decision-making on the appointment and remuneration of the management team members that is based on objective and reasonable evaluation of their business performance.</p> <p>During this fiscal year, he proactively provided advice on management strategy, overseas strategy in particular, at Board of Directors Meetings, etc., based on his wealth of experience and viewpoints from his time as a corporate manager. In addition, he attended all of the Personnel Committee meetings held seven times during this fiscal year as a committee member and was involved in deliberations regarding the appointment and remuneration of the management team members, and contributed to decision-making on the appointment and remuneration of the management team members based on objective and reasonable evaluation of their business performance. Furthermore, he attended an Independent Directors and Audit & Supervisory Board Members Committee meeting held once during this fiscal year, and evaluated the appropriate functioning of the Board of Directors from an objective perspective.</p>

(Audit & Supervisory Board Members)

	Board of Directors Meetings (Held 18 times)		Audit & Supervisory Board Meetings (Held 14 times)		Statements Made at Board of Directors Meetings and Audit & Supervisory Board Meetings
	Number of Meetings Attended	Attendance Rate	Number of Meetings Attended	Attendance Rate	
Toru Shinoda	18	100.0%	14	100.0%	Provided advice and proposals by giving opinions, etc. primarily from his position as a certified public accountant to ensure the appropriateness and validity of decisions of the Board of Directors and the Audit & Supervisory Board.
Osamu Sudoh	17	94.4%	14	100.0%	Provided advice and proposals by giving opinions, etc. primarily from his position as an attorney-at-law to ensure the appropriateness and validity of decisions of the Board of Directors and the Audit & Supervisory Board.
Katsuhiko Kamijo	18	100.0%	14	100.0%	Provided advice and proposals by giving opinions, etc. from his profound scholarly knowledge and perspective accumulated through his wealth of experience as certified public tax accountant to ensure the appropriateness and validity of decisions of the Board of Directors and the Audit & Supervisory Board.

(Note) In addition to the Board of Directors Meetings held as stated above, one written resolution was adopted, which is deemed to constitute a resolution by the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and the provisions of the Articles of Incorporation.

- c. Total Amount of Remuneration, etc. Paid to Directors and Audit & Supervisory Board Members by the Parent Company and Subsidiaries, etc.

Not applicable.

(3) Accounting Auditors

- (i) Name: KPMG AZSA LLC
- (ii) Amount of Remuneration, etc.

	Amount of Remuneration, etc.
Amount of Remuneration, etc. for Accounting Auditors for This Fiscal Year	¥88 million
Total in Money and Other Financial Benefits to Be Paid by the Company and Its Subsidiaries to Accounting Auditors	¥320 million

- (Notes) 1. BANDAI NAMCO Holdings USA Inc., BANDAI NAMCO Holdings France S.A.S., BANDAI NAMCO Holdings UK LTD., BANDAI NAMCO Holdings ASIA CO., LTD., and BANDAI NAMCO Holdings CHINA CO., LTD., among major subsidiaries of the Company, are audited (within the meaning of being audited as required by the Companies Act and Financial Instruments and Exchange Act or the equivalent laws and regulations in other countries) by audit firms (including entities overseas with qualifications equivalent to those of a Japanese audit firm) other than the Company's Accounting Auditor.
2. Under the audit agreement between the Company and its Accounting Auditor, there is no clear distinction between the amount of remuneration, etc., for audits under the Companies Act and that under the Financial Instruments and Exchange Act; furthermore, it is practically impossible to make such distinction. Therefore, the amount of remuneration, etc., for Accounting Auditors for this fiscal year described above is the total amount of remuneration, etc., for these audits.
3. The Audit & Supervisory Board has analyzed and evaluated the audit report for the previous fiscal year, and reviewed the sufficiency of the audit plan for this fiscal year as well as the appropriateness of the time for audit planning, the staffing plan, and the hourly rate. As a result, the Audit & Supervisory Board concluded that the Accounting Auditor remuneration is appropriate and gave its consent to the remuneration in accordance with Article 399, Paragraph 1 of the Companies Act.

(iii) Non-Auditing Operations

The Company paid the Accounting Auditor consideration for advisory services concerning preparations for the adoption of the Accounting Standard for Revenue Recognition, which is outside the scope of the services prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(iv) Policy on Removal or Non-Renewal of an Accounting Auditor

If the Audit & Supervisory Board judges that action is necessary, such as in cases where the Accounting Auditor's execution of its duties is impeded, the Audit & Supervisory Board will determine the contents of a proposal to be submitted to the General Meeting of Shareholders regarding the removal or non-renewal of the Accounting Auditor.

In addition, if the items stipulated in the matters set forth in Article 340, Paragraph 1 of the Companies Act are deemed applicable to the Accounting Auditor, the Accounting Auditor will be removed based on the agreement of all Audit & Supervisory Board Members. If this occurs, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board will report the fact of the Accounting Auditor's removal and the reason for the removal at the first General Meeting of Shareholders held after the removal.

(v) Summary of Contracts Concerning Limited Liability

Not applicable.

(vi) Summary of the Contents of the Indemnification Agreement

Not applicable.

(4) Systems for Ensuring the Properness of Operations and Operating Status of the Systems
(As of March 31, 2021)

Systems for Ensuring the Properness of Operations

The following outlines decisions regarding the basic policy for the structure of internal control systems.

- (i) 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
 - a. The Company shall set in place the Group's Corporate Philosophy and Group Compliance Charter, 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.
 - b. Directors of the Company shall report periodically to the Board of Directors on the structure and operating status of internal control systems.
 - c. 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.
 - d. 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.
 - e. Overseas, an overseas regional headquarters shall be determined for each region to manage risk and support compliance.
 - f. Internal reporting systems including an internal consultation point, an external consultation point comprising external legal advisors, etc., and the Audit & Supervisory Board Members hotline, which enables reporting directly delivered to the Audit & Supervisory Board Members, shall be put in place in the Company and its major subsidiaries.
 - g. The Internal Auditing Division shall be established independently of the executive sections in the Company and its major subsidiaries to work towards maintaining the properness of execution of operations through internal audits.
- (ii) Systems for Preserving and Managing Information Related to Directors' Execution of Their Duties
 - a. The Company shall establish regulations concerning document management and ensure (i) the centralized collection and management of minutes of several kinds of meetings, contracts and other documents, and (ii) appropriate safekeeping and management of important documents including documents circulated for approval in each department. The Company shall have a system to ensure that Directors and Audit & Supervisory Board Members may peruse those documents at any time.
 - b. 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.

- (iii) Regulations Concerning Management for Risk of Loss of the Company and Its Subsidiaries and Other Systems
 - a. 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.
 - b. 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.
 - c. 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.
- (iv) Systems to Ensure That Directors, etc. of the Company and Its Subsidiaries Execute Their Duties Efficiently
 - a. The Company shall assign each subsidiary into Units categorized by business segment, and appoint a Director and core company in charge of each Unit in order to improve efficiency of business operations based on the division of duties, chain of command structure, authorities and competencies, decision making frameworks and other regulations regarding structure within the Group.
 - b. 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.
- (v) Systems Concerning Reporting Matters Regarding Execution of Duties of Directors, etc. of Subsidiaries to the Company
 - a. The Company shall establish meetings such as Group Business Report Meetings and Group Management Meetings, and put in place a system for reporting inside the Group and decision making.
- (vi) Other Systems to Ensure Proper Business Behavior by the Company and Its Subsidiaries
 - a. The Company shall revise the 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 Compliance Book and through training.
 - b. 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.

- (vii) Matters Regarding Employees Required by Audit & Supervisory Board Members to Assist Their Duties, and Matters Regarding the Independence of Such Employees from the Board of Directors
 - a. The Company shall provide a speedy response when Audit & Supervisory Board Members ask the President and Representative Director to provide employees to assist their duties. Where that employee simultaneously works for any other section, his or her business duties pertaining to the Audit & Supervisory Board Members shall take priority.
 - b. The Company shall provide an opportunity for Directors and Audit & Supervisory Board Members to consult in advance regarding personnel matters relating to such employees, so as to ensure independence from the Board of Directors.
- (viii) Matters Concerning Ensuring the Effectiveness of Instructions to Employees Who Assist the Audit & Supervisory Board Members
 - a. The Company shall keep Directors and employees thoroughly informed that employees who assist the Audit & Supervisory Board Members in their duties are under the command of the Audit & Supervisory Board Members.
- (ix) System for Directors, etc. and Employees of the Company and Its Subsidiaries to Report to the Company's Audit & Supervisory Board Members
 - a. Directors, etc. and employees of the Company and its subsidiaries shall report to the Audit & Supervisory Board promptly with regard to matters prescribed by laws and regulations, other matters likely to have a major impact on the Company and the Group, and matters related to the current status of internal audits and compliance.
 - b. Directors, etc. and employees of the Company and its subsidiaries shall report promptly and appropriately when requested to do so by an Audit & Supervisory Board Member of the Company regarding the performance of their duties.
 - c. The Company shall put in place an Audit & Supervisory Board Members Hotline to allow reports to be made directly to the Company's Audit & Supervisory Board Members as an internal reporting system.
- (x) System for Ensuring That Persons Making Reports to Audit & Supervisory Board Members Shall Not Be Treated Disadvantageously
 - a. The Company shall prohibit the disadvantageous treatment of persons who have reported or consulted with Audit & Supervisory Board Members, 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.
- (xi) Matters Regarding Policies Pertaining to Procedures for Advance Payments or Reimbursement of Expenses Arising in the Performance of Duties by Audit & Supervisory Board Members and Other Payment of Expenses and Liabilities Arising in the Performance of Said Duties
 - a. The Company shall immediately pay expenses or liabilities where an Audit & Supervisory Board 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 said duties.

- (xii) Other Systems to Ensure the Effectiveness of Audits Conducted by the Audit & Supervisory Board Members
- a. Directors of the Company shall formulate a system whereby Audit & Supervisory Board 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 Internal Audit Division and Accounting Auditors.
 - b. 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 Board Members of the Company.

Operating Status of Systems for Ensuring the Properness of Operations

The overview of the operating status of the above-mentioned systems for ensuring the properness of operations is as follows:

1. Overall Internal Control Systems

In order to establish and operate overall internal control systems at the Company and its subsidiaries, an Internal Control Committee established within the Company conducts regular monitoring and evaluation of internal controls and reports to the Board of Directors as internal control reports. Improvements are implemented based on these reports. The appropriateness and reliability of evaluations of internal controls are ensured by having Internal Audit Divisions established at the Company and its major subsidiaries conduct appropriate internal audits.

2. Compliance and Risk Management

In order to ensure abidance of laws, respect of ethical behavior, and compliance with internal regulations, the Company has set in place the 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 a Compliance Book. In addition, the Director in charge of compliance of the Company strives to strengthen the compliance systems 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 of the Company and its major subsidiaries and strives to enhance compliance awareness by sharing the results of the survey with each subsidiary director in charge of compliance. Furthermore, the Company has established and operates a whistle-blowing system to provide a point of contact for internal and external consultations and an Audit & Supervisory Board Members Hotline to allow direct reporting to Audit & Supervisory Board Members. The Company and its major subsidiaries have also included provisions in their internal regulations to ensure the protection of whistleblowers.

For risk management, the Company and its subsidiaries have established guidelines on risk management and have formulated and operate a Business Continuity Plan (BCP) and a Business Continuity Management (BCM) system for the Group. The Company is working to ensure that Directors, etc. and employees of the Company and its subsidiaries are well aware of these guidelines and systems. In addition, as part of the measures to prevent the spread of COVID-19, the Company established a crisis management committee dedicated to preventing the spread of COVID-19, whose participating members include persons in charge of the related departments and the Company's Directors, and the committee is regularly sharing information and holding discussions on future policies. The committee disseminates the results of its meetings throughout the Group, and each company is promoting initiatives in line with policies decided by the committee.

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. Every month, the Group 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.

3. Subsidiary Business Management

The Company assigns each subsidiary into five Units categorized by business segment, and appoints a Director and core company in charge of each Unit in order to improve efficiency of business operations based on the division of duties, chain of command structure, authorities and competencies, decision making frameworks and other regulations regarding structure within the Group. The Group Business Report Meetings (held three times this fiscal year) and the Group Management Meetings (held 12 times this fiscal year) are convened regularly to allow

information sharing across the Group and facilitate discussions relating to various issues. The Company has also established and controls a business management system at subsidiaries, with a central role played by the Company's Corporate Planning Department, and monitors progress every month through a review of the Mid-term Plans and business performance across the Group and at each Unit. In addition, the Company's Internal Auditing Division efficiently monitors the Group's internal controls through regular internal audits of the subsidiaries.

4. Execution of Duties by Directors

The Company has established the Group's Corporate Philosophy, the Group Compliance Charter, and the Group Rules for Executives and has disseminated these regulations to ensure that Directors carry out their duties in a fair and legal manner. The Company has appointed a number of independent Outside Directors and actively exchanged ideas with them at the Board of Directors Meetings and executive training sessions in order to strengthen the supervisory function of the Company. The Independent Directors and Audit & Supervisory Board Members Committee consisting of only independent Outside Directors and independent Outside Audit & Supervisory Board Members evaluates the effectiveness of the Board of Directors and works on corporate governance and corporate value improvement. In this fiscal year, the Board of Directors Meetings were held 18 times (excluding written resolutions) and the Independent Directors and Audit & Supervisory Board Members Committee meeting was held once.

5. Audits by the Audit & Supervisory Board Members

The Audit & Supervisory Board Members of the Company attend key meetings at the Company and the major subsidiaries, including the Board of Directors Meeting and the Group Business Report Meetings, and audit the execution of duties by Directors and compliance with laws and regulations and the Articles of Incorporation. The Audit & Supervisory Board Meetings convened 14 times this fiscal year, allowing the Audit & Supervisory Board Members to exchange opinions and share information on important matters. The Audit & Supervisory Board Members also meet regularly or as needed with the Directors of the Company, Internal Auditing Divisions, the Audit & Supervisory Board Members of subsidiaries and the Accounting Auditors to ensure the audits conducted by the Audit & Supervisory Board Members are effective and efficient.

(5) Basic Policy Concerning Control of the Company

(i) Content of Basic Policy

The Corporate Value of the Group

Guided by our vision of becoming “The Leading Innovator in Global Entertainment,” the Group mission is to continue to offer “Dreams, Fun and Inspiration,” through its products and services that utilize IP, to people throughout the world.

Emerging victoriously in the global competition of the fast-changing world of entertainment requires not only construction of a solid management foundation but also the creation of entertainment constantly predicting the changes of times, environments and customers’ lifestyles. Such creation is closely linked to raising the corporate value of the Company.

Therefore, in determining what and how a person or entity controlling decisions on the financial and business policies should be, the Company should take the enhancement of the corporate value into account.

What and How a Person or Entity Controlling Decisions on the Financial and Business Policies Should Be

We believe that a person or entity controlling decisions on financial and business policies should be the one who sufficiently understands the importance of the above kind of managerial vision and mission of the Group, the managerial resources, such as human resources and content, that support the accomplishment of that vision and mission, and the importance of various stakeholders related to the Company, and who maximizes the corporate value of the Company and its shareholders’ common interests over the medium to long term.

Therefore, we believe that, in the event that any person or entity that attempts to acquire large quantities of the Company’s shares falls under any of the following and would harm the Company’s corporate value for such reason, such person or entity is inappropriate to control the decisions of the Company’s financial and business policies:

- Any person or entity who could clearly harm the Company’s corporate value,
- Any person or entity who forces shareholders to sell their shares in a hurry by creating a disadvantageous situation if they do not accept a takeover proposal, or
- Any person or entity that does not provide the Company with the information or the time required for making decisions.

(ii) Details of Engagement

The Board of Directors of the Company, to whom the shareholders have entrusted the management of the Company, is engaged in the following efforts to implement the Group’s basic policy.

Steps to Increase the Corporate Value of the Group

• Promoting the Mid-term Plan

Under the three-year Mid-term Plan started in April 2018, the Group aimed to evolve the IP axis strategy further and achieve penetration and expansion in global markets. At the same time, we also pursued various strategies in order to strengthen development in regions and businesses with high growth potential going forward. The Company has changed its plan to start the next three-year Mid-term Plan in April 2021, instead deciding to start the next Mid-term Plan in April 2022. This was because the Company determined that it was necessary to formulate the next Mid-term Plan that will serve as BANDAI NAMCO’s new strategy to compete in this new era in light of the changes in the environment and the results and challenges of the current Mid-term Plan as customers’ lifestyles and values are expected to change significantly. The Company has positioned the fiscal year ending March 31, 2022 as a period for formulating the next Mid-term Plan and developing the business foundation and organizational structure to pursue its strategies. The Group

is committed to pushing forward with its mid-term strategies in order to progress toward the next stage as an entertainment corporate group and enhance its corporate value.

- Strengthening Corporate Governance

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. In addition, the Company is working to strengthen management oversight functions by stipulating in the Articles of Incorporation of the Company that the Company should appoint at least two Outside Directors and also making sure that all of the Outside Directors are independent Outside Directors. In addition, the Company has organized an Independent Directors and Audit & Supervisory Board Members Committee with the aim of evaluating the appropriate functioning of the Board of Directors from an objective perspective. The Independent Directors and Audit & Supervisory Board Members Committee comprises four independent Outside Directors and three independent Outside Audit & Supervisory Board Members only, and its secretariat functions are entrusted to a third-party specialist organization. In this way, the Company retains a more highly effective supervisory function over the Board of Directors.

- Promoting Efficient Management

The Group has put in place standards for business reconstruction; it has reinforced systems for continuous monitoring in order to discern business trends more swiftly, and is making swift decisions on restructuring businesses or withdrawing from them, based on in-house indicators. In addition, the Group is working towards cost reductions by standardizing processes across the Group as a whole and is promoting managerial efficiency.

- Reinforcing Personnel Strategies

The Group, as a corporate group delivering “Dreams, Fun, and Inspiration,” aspires to be a group where diverse companies and human resources of various individual characteristics can work energetically with peace of mind. We have been working on global human resource development, proactive personnel exchanges, establishment of systems to enable diverse human resources to play active roles, and establishment of various systems to enable employees to work in good mental and physical health. In addition to these systems, we are promoting measures such as systems for receiving proposals for better enabling employees to take on new challenges, systems to support their endeavors, and initiatives to increase the Group’s productivity.

- Reinforcing Sustainability Activities

The Group, as a corporate group delivering “Dreams, Fun, and Inspiration,” has defined the Group-wide “CSR Initiatives” that include three types of responsibilities; “Environmental and Social Responsibilities,” “Economic Responsibilities,” and “Legal and Ethical Responsibilities (compliance),” and is promoting a variety of CSR activities. In April 2021, the Group formulated the “BANDAI NAMCO Group Sustainability Policy” to, under the IP axis strategy, work with fans to promote sustainability activities corresponding to social issues that should be addressed by the Group in order to fulfill our responsibility as a member of society in realizing a sustainable society. Going forward, as part of the policy, we will promote the identification of materiality issues for activities toward the next Mid-term Plan (reselection of Important Themes), and establish targets for reducing energy-related carbon dioxide emissions and work toward achieving the targets.

- Proactive IR Activities

The Company discloses information in a timely and appropriate manner in accordance with the Financial Instruments and Exchange Act and rules prescribed by the Tokyo Stock Exchange. We aim to be a highly transparent corporation that clearly provides our stakeholders, in particular our shareholders, with information concerning management strategies and business directions. The Group thus works to provide ample opportunities, for instance, company information meetings and financial information meetings, for the president and representative director and other executives of the Company to provide explanations directly to individual investors and to both Japanese and foreign institutional investors, stock analysts, etc. in order to deepen their understanding of the Group.

- Proactive Policy for the Return of Profits to Shareholders

The Company ranks the return of profits to shareholders as one of its highest priorities in its management. The Company aims to further strengthen the Group's competitiveness and, while maintaining a sound financial status, to achieve regular distributions of dividends and improvement in the Company's corporate value. Specifically, the Company follows 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). Under this policy, the Company strives to maintain long-term and stable dividends and be more aware of capital cost.

Takeover Defense Measures

At present, the Company has not introduced any specific takeover defense measures. The Group regards implementing our 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 for takeover defense, with a close eye on legal and social trends, in anticipation of situations in which an inappropriate entity or person might emerge to have decision-making power over the Company's financial and business policies. In concrete terms, in the event an inappropriate bidder emerges, the management team will not take steps to guard its own interests against the takeover offer by the bidder, but will sufficiently deliberate the matter at the Board of Directors Meetings after referring the matter to the Independent Directors and Audit & Supervisory Board Members 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.

(Note) In this Business Report, fractional amounts less than the indicated unit amount are rounded down for sums of money and numbers of shares, while percentages and other values are rounded off to the nearest figure.

Consolidated Balance Sheet
(As of March 31, 2021)

	(Millions of yen)
	Amount
ASSETS	
Current assets	
Cash and time deposits	204,326
Trade receivables	91,765
Finished goods and merchandise	28,994
Work in process	73,816
Raw materials and supplies	4,075
Other current assets	53,872
Allowance for doubtful receivables	(1,639)
Total current assets	455,210
Fixed assets	
Property, plant and equipment	
Buildings and structures	18,672
Amusement facilities and machines	5,914
Land	43,047
Other property, plant and equipment	20,707
Total property, plant and equipment	88,341
Intangible assets	
Goodwill	17,069
Other intangible assets	15,944
Total intangible assets	33,014
Investments and other assets	
Investment securities	121,208
Deferred tax assets	16,310
Net defined benefit asset	407
Other investments and assets	18,707
Allowance for doubtful receivables	(418)
Total investments and other assets	156,215
Total fixed assets	277,571
TOTAL ASSETS	732,782

	(Millions of yen)
	Amount
LIABILITIES	
Current liabilities	
Trade payables	82,474
Provision for directors' bonuses	1,646
Other provision	1,900
Other current liabilities	89,898
Total current liabilities	175,920
Long-term liabilities	
Long-term borrowings	20,234
Other provision	301
Net defined benefit liability	7,212
Deferred tax liabilities for land revaluation	199
Other long-term liabilities	17,480
Total long-term liabilities	45,428
TOTAL LIABILITIES	221,348
NET ASSETS	
Stockholders' equity	
Common stock	10,000
Capital surplus	52,232
Retained earnings	414,487
Treasury stock	(3,905)
Total stockholders' equity	472,814
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities, net of tax	51,587
Deferred gains or losses on hedges, net of tax	988
Revaluation reserve for land, net of tax	(4,016)
Foreign currency translation adjustments	(7,438)
Remeasurements of defined benefit plans, net of tax	(3,419)
Total accumulated other comprehensive income	37,701
Non-controlling interests	917
TOTAL NET ASSETS	511,433
TOTAL LIABILITIES AND NET ASSETS	732,782

Consolidated Statements of Operations
(From April 1, 2020 to March 31, 2021)

	(Millions of yen)	
	Amount	
Net sales		740,903
Cost of sales		458,897
Gross profit		282,006
Selling, general and administrative expenses		197,352
Operating profit		84,654
Non-operating income		
Interest income	311	
Dividend income	1,234	
Foreign exchange gains	480	
Gain on investments in deferred compensation plan	384	
Other non-operating income	1,058	3,470
Non-operating expenses		
Interest expense	229	
Other non-operating expenses	283	512
Recurring profit		87,612
Extraordinary income		
Gain on sales of fixed assets	464	
Gain on sales of investment securities	307	
Subsidies for employment adjustment and other related to COVID-19	1,373	
Other extraordinary income	81	2,225
Extraordinary loss		
Loss on impairment of fixed assets	11,284	
Loss on temporary store closures and other related to COVID-19	3,059	
Loss on liquidation of business	1,754	
Other extraordinary loss	1,799	17,897
Profit before income taxes		71,940
Income taxes - current	24,527	
Income taxes - deferred	(1,452)	23,074
Profit		48,865
Loss attributable to non-controlling interests		(28)
Profit attributable to owners of parent		48,894

Consolidated Statement of Changes in Net Assets (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at beginning of year	10,000	52,004	394,699	(3,634)	453,069
Changes during the period					
Cash dividends			(29,220)		(29,220)
Profit attributable to owners of parent			48,894		48,894
Change in ownership interest of parent due to transactions with non-controlling interests		5		(309)	(303)
Purchase of treasury stock				(9)	(9)
Disposal of treasury stock		222		48	270
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied				0	0
Reversal of revaluation reserve for land			113		113
Net changes of items other than stockholders' equity					
Total changes during the period	—	228	19,787	(270)	19,745
Balance at end of year	10,000	52,232	414,487	(3,905)	472,814

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	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		
Balance at beginning of year	16,837	250	(3,902)	(12,321)	(4,639)	(3,776)	5,392	454,684
Changes during the period								
Cash dividends								(29,220)
Profit attributable to owners of parent								48,894
Change in ownership interest of parent due to transactions with non-controlling interests							(4,823)	(5,127)
Purchase of treasury stock								(9)
Disposal of treasury stock								270
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied								0
Reversal of revaluation reserve for land			(113)			(113)		—
Net changes of items other than stockholders' equity	34,749	738	—	4,883	1,220	41,592	349	41,941
Total changes during the period	34,749	738	(113)	4,883	1,220	41,478	(4,474)	56,749
Balance at end of year	51,587	988	(4,016)	(7,438)	(3,419)	37,701	917	511,433

Notes to Consolidated Financial Statements

All sums are shown in millions of yen and have been rounded down.

I. Notes to Important Information Constituting the Basis for Preparation of Consolidated Financial Statements

1. Information Concerning the Scope of Consolidation

(1) Status of Consolidated Subsidiaries:

(i) Total Number of Consolidated Subsidiaries:

89 companies

(ii) Names of Principal Consolidated Subsidiaries:

BANDAI CO., LTD., BANDAI NAMCO Entertainment Inc., BANDAI NAMCO Amusement Inc., BANDAI NAMCO Arts Inc., SUNRISE INC., BANDAI NAMCO Holdings USA Inc., BANDAI NAMCO Holdings France S.A.S., BANDAI NAMCO Holdings UK LTD., BANDAI NAMCO Holdings ASIA CO., LTD., and BANDAI NAMCO Holdings CHINA CO., LTD.

(iii) Changes in the Scope of Consolidation:

Reflector Entertainment Ltd. became a subsidiary of the Company through stock acquisition in this fiscal year and is now included in the scope of consolidation.

(2) Status of Non-Consolidated Subsidiaries:

(i) Names of the Principal Non-Consolidated Subsidiaries:

BANDAI LOGIPAL (H.K.) LTD.

(ii) Reason for Exclusion from the Scope of Consolidation:

Non-consolidated subsidiaries have been excluded from the scope of consolidation as the scale of the business conducted by each of those companies is small and the total assets, net sales, profit or loss and retained earnings, etc. corresponding to the ownership held by the Company of each non-consolidated subsidiary have no material impact on the consolidated financial statements.

2. Information Concerning Application of the Equity Method

(1) Status of Non-Consolidated Subsidiaries and Affiliated Companies to Which the Equity Method Was Applied:

(i) Number of Affiliated Companies to Which the Equity Method Was Applied:

5 companies

(ii) Names of the Principal Affiliated Companies to Which the Equity Method Was Applied:

Happinet Corporation, People Co., Ltd., and Drecom Co., Ltd.

(2) Status of Non-Consolidated Subsidiaries and Affiliated Companies to Which the Equity Method Was Not Applied:

(i) Name of the Principal Companies, etc.:

BANDAI LOGIPAL (H.K.) LTD.

(ii) Reason the Equity Method Was Not Applied to the Company:

The equity method was not applied to this company, because it was deemed that the exclusion of the company from the application of the equity method would have little, and no material impact on the consolidated financial statements of the Company and it seemed unimportant as

a whole in consideration of the company's profit or loss and retained earnings, etc. corresponding to the Company's equity share in it.

(iii) Special Notes Regarding Procedures for Applying the Equity Method:

If any of the companies to which the equity method is applied has a closing date that differs from the consolidated closing date, then the financial statements for the fiscal year of that company are used.

3. Information Concerning the Fiscal Year, etc. for Consolidated Subsidiaries

The closing date for BANDAI (SHENZHEN) CO., LTD., BANDAI NAMCO (SHANGHAI) CO., LTD., BANDAI NAMCO Holdings CHINA CO., LTD., BANDAI NAMCO Entertainment (SHANGHAI) CO., LTD., BANDAI NAMCO Toys & Hobby (SHANGHAI) CO., LTD., SUNRISE SHANGHAI CO., LTD, and BANDAI NAMCO Amusement (SHANGHAI) CO., LTD. is December 31, and their financial data as of that closing date is used. The closing date for BANDAI CORPORACION MEXICO, S.A. de C.V. is December 31, and its financial data is based on a provisional closing as of March 31 pursuant to procedures for the fiscal year-end closing.

Necessary adjustments on a consolidated basis are made when transactions of material importance occur between the reported closing date and the consolidated closing date.

Sun-Star Stationery Co., Ltd. has changed its closing date from June 30 to March 31. Its financial data for the previous fiscal year was based on a provisional closing as of December 31 pursuant to procedures for the fiscal year-end closing. As a result of the above change of the closing date, its accounting period of 15 months from January 1, 2020 to March 31, 2021 is used for the Company's consolidated accounting for this fiscal year. J-Broad Co., LTD. has changed its closing date from August 31 to March 31. Its financial data for the previous fiscal year was based on a provisional closing as of February 29 pursuant to procedures for the fiscal year-end closing. As a result of the above change of the closing date, its accounting period of 13 months from March 1, 2020 to March 31, 2021 is used for the Company's consolidated accounting for this fiscal year.

4. Accounting Policies

(1) Valuation Basis and Methods for Significant Assets:

(i) Valuation Basis and Methods for Securities:

Available-for-sale securities:

Securities with market quotations:

Stated using the market price method based on amounts using market prices, etc. on the closing date. (Valuation differences are reflected directly in net assets and cost of sales is calculated using the moving average method.)

Securities without market quotations:

Stated using the cost method based on the moving average method. With respect, however, to contributions to limited partnerships for investment and similar partnerships (deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), these are stated by the net amount corresponding to the Company's equity share, based on the most recent available financial reports according to the date for settlement of accounts provided for in the partnership agreement.

(ii) Derivative Transactions: Stated using the market price method.

(iii) Valuation Basis and Methods for Inventories:

Work in process, such as game software, etc.:

Stated using the cost method based on the specific-cost method. (The value stated on the balance sheet was calculated by writing down the book value based on declining profitability.)

Others:

Domestic consolidated subsidiaries:

Generally, stated using the cost method based on the average method. (The value stated on the balance sheet was calculated by writing down the book value based on declining profitability.)

Overseas consolidated subsidiaries:

Generally, stated using the lower of cost or market method based on the average method.

(2) Depreciation Methods for Significant Depreciable Assets:

(i) Property, Plant and Equipment (Exclusive of leased assets and right-of-use assets):

The Company and domestic consolidated subsidiaries:

Generally stated using the declining-balance method.

However, for buildings (excluding equipment attached thereto) acquired on or after April 1, 1998 and for part of the amusement facilities and machines, etc., the straight-line method was used.

The general useful life of property, plant and equipment is as follows:

Buildings and structures: 2 to 50 years

Amusement facilities and machines: 3 to 15 years

Overseas consolidated subsidiaries:

Stated using the straight-line method.

The general useful life of property, plant and equipment is as follows:

Buildings and structures: 5 to 50 years

Amusement facilities and machines: 4 to 25 years

(ii) Intangible Assets (Exclusive of leased assets and right-of-use assets):

Stated using the straight-line method.

The general useful life of software is as follows:

Software (used internally): 1 to 5 years

(iii) Leased Assets:

Stated using the straight-line method, with the useful life set to the lease period, for a residual value of zero.

(iv) Right-of-use assets:

Stated using the straight-line method over the shorter of the useful life or the lease period of assets.

(3) Basis of Recognition for Significant Provision:

(i) Allowance for Doubtful Receivables:

The allowance for doubtful receivables is provided for possible losses on unrecoverable receivables. For ordinary receivables, the amount of the allowance is based on the historical rate of loss. For receivables from debtors at risk of bankruptcy and receivables from debtors in bankruptcy or under reorganization, etc., the amount of the allowance is based on individually estimated unrecoverable amounts.

(ii) Provision for Directors' Bonuses:

Accrued bonuses for directors are provided based on the estimated amounts to be paid in respect of this fiscal year.

(4) Accounting Standards for Significant Income and Expense:

(i) Video Game Software Revenue Recognition:

Some overseas consolidated subsidiaries recognized revenue in accordance with IFRS 15 “Revenue from Contracts with Customers” and US GAAP Accounting Standards Update (ASU) No. 2014-09 “Revenue from Contracts with Customers.” In particular, for video game software with online functions, estimated sales value is calculated for undelivered elements and an amount equivalent to that value is recognized as the revenue over the reasonably estimated period for which performance obligations are expected to be satisfied.

(ii) Video Game Software Production Costs:

A distinctive characteristic of video game software is the process through which the software is highly combined with the content that cannot be separated into identifiable components.

The content is considered to be an important component of each video game title, which includes the game content and visual/music data.

Once management makes a decision to go forward in distributing a title, the Company records the software and content development costs as work in process.

The capitalized production costs are amortized to cost of sales based on projected sales revenue.

(5) Significant Accounting Policies for Hedging:

(i) Accounting for Hedging:

The Company used deferred hedge accounting.

In cases where forward foreign exchange contracts meet certain hedging criteria, they are accounted for under the allocation method.

(ii) Hedging Instruments and Hedged Items:

Hedging instruments: Forward foreign exchange contracts

Hedged items: Foreign-currency-denominated assets and liabilities and scheduled transactions

(iii) Hedging Policies:

Hedging is implemented for the purpose of reducing risks arising from fluctuations in exchange rates involved in operational and financing activities.

(iv) Method of Assessing the Effectiveness of Hedging:

The Company assesses the effectiveness of hedging transactions, in principle, from the start of the transaction to the point at which effectiveness is assessed by comparing the cumulative changes in the fair value or the cumulative changes in the cash flows of the hedged item with the cumulative changes in the fair value or the cumulative changes in the cash flows of the hedging instrument.

In the event that critical terms are the same for the hedging instrument and the hedged assets, liabilities, or scheduled transaction, it is assumed that the hedge is 100% effective, so the assessment of effectiveness is not performed.

(6) Amortization of Goodwill

The Company reasonably estimates the period for which the effects of goodwill are expected to emerge and amortizes the goodwill on a straight-line basis over a fixed number of years up to 10 years.

(7) Other Important Information Constituting the Basis of Preparation of Consolidated Financial Statements

(i) Method of Accounting for Retirement Benefits

a. Method of attributing expected retirement benefits to periods

In calculating the retirement benefit obligations, the benefit formula basis is mainly used in determining the amount of the expected retirement benefit obligations attributed to the period up to the end of this fiscal year.

b. Method of recognizing actuarial gains and losses and past service costs

Actuarial gains and losses are recognized in gain or loss in the year following the year in which a respective gain or loss arises, and are amortized proportionally on a straight-line basis over a certain period (7 to 15 years) that is within the average remaining period of service of the eligible employees.

The entire amount of past service costs is recognized in gain or loss in the fiscal year during which it arises, and is amortized on a straight-line basis over a period (10 years), which is within the average remaining years of service of the eligible employees.

c. The Company and certain consolidated subsidiaries use a simplified method in calculating net defined benefit asset, net defined benefit liability, and periodic pension cost under which retirement benefit obligations are principally based on accrued benefits at the end of the year.

(ii) Accounting Treatment of Consumption Tax

Consumption tax is accounted for separately and is not figured into each listed item.

(iii) Application of Consolidated Taxation System

The Company has applied the consolidated taxation system.

(iv) Application of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System

For the transition to the group tax sharing system established by the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 8 of 2020) and the items for which the non-consolidated taxation system was reviewed in accordance with the transition to the group tax sharing system, the Company and certain domestic consolidated subsidiaries do not apply the provision of Paragraph 44 of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, issued on February 16, 2018), and the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax laws before the revision, pursuant to Paragraph 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ PITF No. 39, issued on March 31, 2020).

II. Notes to Changes in Method of Presentation

(Consolidated Balance Sheet)

- (1) “Construction in progress” (the balance of which at the end of this fiscal year is 2,542 million yen), which had been stated separately in the previous fiscal year, is included in “Other property, plant and equipment” under “Property, plant and equipment” in this fiscal year since it is at or below 1 percent of the total assets.

- (2) “Long-term borrowings” which had been included in “Other long-term liabilities” under “Long-term liabilities” in the previous fiscal year, is stated separately from this fiscal year since it is at or above 1 percent of the total liabilities and net assets.

The total of “Long-term borrowings” for the previous fiscal year was 171 million yen.

- (3) “Other provision” which had been included in “Other long-term liabilities” under “Long-term liabilities” in the previous fiscal year, is stated separately from this fiscal year since the Company revised the line items from the perspective of enhancing the clarity.

The total of “Other provision” for the previous fiscal year was 238 million yen.

(Consolidated Statements of Operations)

- (1) “Rent income” (the balance of which at the end of this fiscal year is 260 million yen), which had been stated separately in the previous fiscal year, is included in “Other non-operating income” under “Non-operating income” in this fiscal year since it is at or below 10 percent of the total non-operating income.
- (2) “Share of loss of entities accounted for using equity method” (the balance of which at the end of this fiscal year is 31 million yen), which had been stated separately in the previous fiscal year, is included in “Other non-operating expenses” under “Non-operating expenses” in this fiscal year since it is at or below 10 percent of the total non-operating expenses.
- (3) “Gain on sales of investment securities” which had been included in “Other extraordinary income” under “Extraordinary income” in the previous fiscal year, is stated separately from this fiscal year since it is at or above 10 percent of the total extraordinary income.

The total of “Gain on sales of investment securities” for the previous fiscal year was 22 million yen.

(Application of the “Accounting Standard for Disclosure of Accounting Estimates”)

The Group has applied the “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020) to the consolidated financial statements as of the end of this fiscal year and notes on significant accounting estimates are stated in the consolidated financial statements.

III. Notes Concerning Accounting Estimates

1. Valuation of work in process concerning home video games at major domestic development bases

- (1) Amount recorded in the consolidated financial statements for this fiscal year:

	This fiscal year
Work in process	¥43,082 million

- (2) Information concerning the contents of significant accounting estimates for the identified items

The value of work in process concerning home video games in the Network Entertainment Business stated on the consolidated balance sheet was calculated by reducing the book value based on declining profitability.

With respect to the method of reducing the book value based on declining profitability, the Company compares the net realizable value (projected sales volumes × sales unit price – estimated additional production costs – estimated direct sales expenses) and the book value of work in process, and if the book value of work in process exceeds the net realizable value, the Company recognizes a write-down of the excess amount.

In calculating the net realizable value, projected sales volumes, etc. are estimated using benchmarks such as similar game titles released in the past.

Of these estimates, estimates on projected sales volumes are significantly affected by how users respond after the release of the home video games and how they are evaluated by the market. In the case where the date of release of the game is delayed due to, for example, taking measures for quality improvement, estimates on additional production costs increase as compared with the initial budget and the production period is extended for a longer period of time. These estimates are exposed to high uncertainty and may possibly have a significant effect on the consolidated financial statements in the following fiscal year and onwards.

2. Valuation of property, plant and equipment and intangible assets related to BANDAI NAMCO Amusement Inc.

(1) Amount recorded in the consolidated financial statements for this fiscal year:

	This fiscal year
Property, plant and equipment	¥1,758 million
Intangible assets	¥130 million

(2) Information concerning the contents of significant accounting estimates for the identified items

Property, plant and equipment and intangible assets of BANDAI NAMCO Amusement Inc. are depreciated and amortized in a regular manner, and if any indications of impairment are identified, the necessity of recognizing a loss on impairment is determined by comparing the total future cash flows before discount which may be obtained from the asset group and the book value, and if the recognition of a loss is determined to be necessary, the book value is reduced to the recoverable amount and the amount of reduction in the book value is recognized as a loss on impairment.

Future cash flows used to determine the necessity of recognizing a loss on impairment are estimated on the basis of business plans which are premised upon improvement of sales related to store and facility operations and amusement machines for commercial use based on the outlook for containment of COVID-19, as well as reduced costs owing to closure of stores and facilities and rent negotiations. In addition, net realizable value is estimated on the basis of the policy for determining sales prices and actual sales prices in the past.

These estimates are exposed to high uncertainty as they are dependent upon subjective management decisions and may possibly have a significant impact on the consolidated financial statements in the following fiscal year and onwards.

IV. Notes to Consolidated Balance Sheet

1. Assets Pledged as Collateral

Cash and time deposits ¥27 million

There are no liabilities associated with this collateral.

In addition to the above, the assets deposited as a security deposit for issuance under the Payment Services Act, are as follows:

“Other investments and assets” under ¥1,946 million
“Investments and other assets”

2. Amount of Accumulated Depreciation of Property, Plant and Equipment: ¥193,534 million

3. Guarantee Obligations

The Company has guarantee obligations concerning obligations in leasing contracts of companies other than consolidated companies.

BANDAI NAMCO Will Inc. ¥55 million

4. Land Revaluation

A revaluation of land for business-use was implemented pursuant to the “Land Revaluation Act” (Act No. 34 of 1998; enacted on March 31 of that year) and the revalued difference was recorded under net assets.

Revaluation Method:

The fair value of land is determined based on official notice prices that are calculated by the method assessed and published by the Commissioner of the National Tax Agency. The

Commissioner assesses and publishes the method to calculate land value that forms the foundation for calculating taxable value for land value tax prescribed in Article 16 of the Land Value Tax Act (Act No. 69 of 1991; enacted on May 2 of that year), as stipulated in Article 2, Item (iv) of the Order for Enforcement of the Land Revaluation Act (Cabinet Order No. 119 of 1998; enacted on March 31 of that year). Reasonable adjustments are made to the official notice prices.

Revaluation Date:
March 31, 2002

V. Notes to Consolidated Statement of Changes in Net Assets

1. Type and Total Number of Shares Issued as of the End of This Fiscal Year

Common stock 222,000,000 shares

2. Matters Concerning Distribution of Surplus

(1) Paid Dividend Amounts, etc.

Date of Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Date of record	Effective date
June 22, 2020, Ordinary General Meeting of Shareholders	Common stock	24,635	112	March 31, 2020	June 23, 2020
November 6, 2020, Board of Directors Meeting	Common stock	4,620	21	September 30, 2020	December 7, 2020

(2) Dividends with a Date of Record in This Fiscal Year But an Effective Date in the Following Fiscal Year

Date of Scheduled Resolution	Type of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Date of record	Effective date
June 21, 2021, Ordinary General Meeting of Shareholders	Common stock	20,020	Retained earnings	91	March 31, 2021	June 22, 2021

VI. Notes Concerning Financial Instruments

1. Financial Instruments

The Group manages funds by means of highly secure financial instruments only and procures funds through borrowing from banks and other financial institutions.

With regard to credit risk posed by customers with respect to trade receivables, which are operating receivables, credit information on major customers is updated at least once a year, to minimize such credit risk. Hedging is implemented as necessary through the use of forward exchange contracts for the purpose of reducing risks arising from fluctuations in exchange rates for foreign-currency-denominated operating receivables.

Shares, which are investment securities, are exposed to the risk of market price fluctuations; their fair values are checked once a quarter.

Part of trade payables, which are operating liabilities, is denominated in foreign currencies. Hedging is implemented as necessary through the use of forward exchange contracts for the

purpose of reducing risks arising from fluctuations in exchange rates for foreign-currency-denominated operating liabilities.

Borrowings are implemented for the purpose of securing sufficient current liquidity in preparation mainly for a prolonged impact of the spread of COVID-19. If borrowings are implemented with a floating interest rate, interest rate swap transactions will be conducted as necessary to hedge interest rate fluctuation risk.

Derivative transactions are executed and managed according to internal rules that determine trading authority and limits on amounts traded; derivatives are used in ways that minimize credit risk, and thus transactions are carried out only with highly creditworthy financial institutions.

2. Fair Values of Financial Instruments

The book values of financial instruments as stated in the consolidated balance sheet, their fair value as of March 31, 2021, and the difference between book value and fair value are as stated below.

This table does not include assets for which it was judged extremely difficult to assess the fair value.

	Book value stated in the consolidated balance sheet (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Cash and time deposits	204,326	204,326	—
(2) Trade receivables	91,765	91,765	—
(3) Short-term investments and investment securities			
1. Available-for-sale securities:	102,221	102,221	—
2. Stock of affiliated companies	10,754	14,420	3,666
Total assets	409,068	412,734	3,666
(1) Trade payables	82,474	82,474	—
(2) Long-term borrowings	20,234	20,132	(101)
Total liabilities	102,708	102,606	(101)
Derivative transactions (*)	1,284	1,284	—

(*) Debts and credits derived from derivative transactions are stated on a net basis. Items to be recorded as net debts in the total are enclosed in brackets.

(Notes) 1. Matters regarding method of calculating the fair value of financial instruments and securities and derivative transactions

Assets

(1) Cash and time deposits

Since these are readily convertible into cash, their fair value is almost identical with the book value, and thus these are stated at the book value.

(2) Trade receivables

Since trade receivables that are settled in a short period of time are readily convertible into cash, their fair value is almost identical with the book value, and thus these are stated at the book value. For trade receivables that are settled after a long period of time, the fair values are measured based on the present values calculated by discounting receivable amounts classified by certain periods of time at a rate for which time to maturity and credit risk has been taken into account.

(3) Short-term investments and investment securities

Stocks and others are stated at the price on the stock exchange or the price as presented by counterparty financial institutions and others.

Liabilities

(1) Trade payables

Since these are readily convertible into cash, their fair value is almost identical with the book value, and thus these are stated at the book value.

(2) Long-term borrowings

The fair value of long-term borrowings is calculated by discounting the total amount of the principal and interest by the assumed interest rate for similar new loans.

Derivative transactions

The fair value of derivative transactions is stated at the price as presented by counterparty financial institutions and others.

2. Unlisted stocks (stated as 4,783 million yen in the consolidated balance sheet), stocks of affiliated companies (unlisted stocks) (stated as 2,969 million yen in the consolidated balance sheet), and contributions to investment partnerships (stated as 479 million yen in the consolidated balance sheet) have no market price and it is extremely difficult to assess their fair value, so they are not included in “(3) Short-term investments and investment securities.”

VII. Notes Concerning Real Estate for Lease, etc.

1. Real Estate for Lease, etc.

The Company and some of its consolidated subsidiaries own real estate for lease, etc. (including land) in Tokyo and other regions.

2. Fair Value of Real Estate for Lease, etc.

Book value stated in the consolidated balance sheet (Millions of yen)	Fair value (Millions of yen)
33,872	35,362

- (Notes) 1. The book value stated in the consolidated balance sheet is calculated by deducting accumulated depreciation from acquisition cost.
2. The fair value as of the end of this fiscal year is the amount calculated based mainly on “real property appraisal reports” prepared by external real property appraisers.

VIII. Notes Concerning Per-Share Data

- | | |
|-----------------------------|-----------|
| 1. Net assets per share | ¥2,323.98 |
| 2. Basic earnings per share | ¥222.58 |

IX. Other Notes

(Additional information)

(Reorganization of subsidiaries)

At the Board of Directors Meeting held on March 16, 2021, the Company passed a resolution to reorganize its subsidiaries.

1. Absorption-type merger between subsidiaries and change in trade name of subsidiary in North America

- (1) Purpose

With the aim of improving efficiency of business operations and expanding the IP axis strategy of the Toys and Hobby Business in North America, the Company will conduct a merger whereby BANDAI AMERICA INC., which focuses mainly on toys for mass distribution, will be the surviving company and BANDAI NAMCO Collectibles LLC, which focuses on collectible items for the mature fan base, will be the disappearing company. On the effective date of the merger, the trade name of BANDAI AMERICA INC. will be changed to BANDAI NAMCO Toys & Hobby America Inc.

- (2) Transactions conducted by commonly controlled entities

- (i) Overview of transaction

- a. Name and description of business of the company involved in combination

Merging company (surviving company)

Name: BANDAI AMERICA INC.

Description of business: Sales of toy-related products

- Merged company (disappearing company)
 Name: BANDAI NAMCO Collectibles LLC
 Description of business: Sales, promotion, event sales, and e-commerce business for products for the mature fan base
- b. Date of business combination
 April 1, 2022 (scheduled date)
- c. Legal form of business combination
 Absorption-type merger with BANDAI AMERICA INC. as the surviving company and BANDAI NAMCO Collectibles LLC as the disappearing company
- d. Company name after combination
 BANDAI NAMCO Toys & Hobby America Inc.
- (ii) Overview of accounting process
 The accounting process will be carried out as transactions conducted by commonly controlled entities, in accordance with the Accounting Standard for Business Combinations and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.
2. Absorption-type merger between subsidiaries and change in trade name of subsidiary in Continental Europe
- (1) Purpose
 With the aim of improving efficiency of business operations in the administration division, etc. and strengthening governance of the subsidiaries in Continental Europe by concentrating resources of that area, the Company will conduct a merger whereby BANDAI NAMCO Holdings France S.A.S., the holding company in Continental Europe, will be the surviving company and BANDAI NAMCO Entertainment Europe S.A.S., the company that conducts the Network Entertainment Business, will be the disappearing company. On the effective date of the merger, the trade name of BANDAI NAMCO Holdings France S.A.S. will be changed to BANDAI NAMCO Europe S.A.S.
- (2) Transactions conducted by commonly controlled entities
- (i) Overview of transaction
- a. Name and description of business of the company involved in combination
- Merging company (surviving company)
 Name: BANDAI NAMCO Holdings France S.A.S.
 Description of business: Regional holding company in Continental Europe
- Merged company (disappearing company)
 Name: BANDAI NAMCO Entertainment Europe S.A.S.
 Description of business: Sales, promotions, event sales, e-commerce, etc., for products for the mature fan base
- b. Date of business combination
 September 30, 2021 (scheduled date)
- c. Legal form of business combination
 Absorption-type merger between BANDAI NAMCO Holdings France S.A.S. as the surviving company and BANDAI NAMCO Entertainment Europe S.A.S. as the disappearing company
- d. Company name after combination
 BANDAI NAMCO Europe S.A.S.

(ii) Overview of accounting process

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

(Notes concerning losses on impairment)

The Group recorded losses on impairment of the following asset groups.

In identifying indications of impairment, assets of the Company and its consolidated subsidiaries excluding significant idle assets, assets to be disposed of and assets for leasing are grouped in accordance with the management accounting categories based on Unit. Among them, assets of amusement operation facilities in the Real Entertainment Business are grouped mainly by store, which is the smallest management accounting unit, as the basic unit.

In this fiscal year, the Group recorded a loss on impairment of amusement arcades, assets for business use and corporate assets as the invested amounts are unlikely to be recoverable mainly given that the profitability of the Real Entertainment Business as a whole declined.

The book value of the following assets is reduced to the recoverable amount and the amount of reduction is recorded in extraordinary loss as a loss on impairment.

Unit	Location	Usage	Type	Loss on impairment (Millions of yen)
Toys and Hobby	Nagoya-shi, Aichi (Note) 1	Assets for business use	Buildings and structures	7
			Property, plant and equipment (other)	1
	Taito-ku, Tokyo (Note) 2	Assets for business use	Property, plant and equipment (other)	1
Network Entertainment	Koto-ku, Tokyo (Note) 3	Assets for business use	Intangible assets (other)	821
Real Entertainment	Fukuoka-shi, Fukuoka and others (Note) 1	Amusement operation facilities	Amusement facilities and machines	149
			Investments and other assets (other)	0
	Minato-ku, Tokyo and others (Note) 2	Amusement operation facilities	Amusement facilities and machines	26
			Property, plant and equipment (other)	5
			Intangible assets (other)	27
	Minato-ku, Tokyo and others (Note) 3	Amusement operation facilities Assets for business use Corporate assets	Buildings and structures	565
			Amusement facilities and machines	5,554
			Property, plant and equipment (other)	235
			Intangible assets (other)	788
			Investments and other assets (other)	99
	Minato-ku, Tokyo and others (Note) 4	Amusement operation facilities	Amusement facilities and machines	2,787
	Tyne and Wear, UK and others (Note) 5	Amusement operation facilities Assets for business use	Amusement facilities and machines	68
			Property, plant and equipment (other)	144
Visual and Music Production	Mitaka-shi, Tokyo (Note) 3	Assets for business use	Property, plant and equipment (other)	0
Total				11,284

- (Notes)
1. The Group recorded losses on impairment as it judged that the recoverable amounts of the fixed assets significantly decreased due to its decision to close locations. The recoverable amount is calculated by deeming the value in use as zero.
 2. The Group recorded losses on impairment of assets which are not expected to be used in the future. The recoverable amount is calculated by deeming the value in use as zero.
 3. The Group recorded losses on impairment as the book value of the fixed assets is unlikely to be recoverable due to declines in the profitability of business. The recoverable amount is calculated by deeming the value in use as zero.
 4. The Group recorded losses on impairment as the book value of the fixed assets is unlikely to be recoverable due to declines in the profitability of business. The recoverable amounts are calculated based on the net realizable value and evaluated based on reasonably estimated selling prices.
 5. The Group recorded losses on impairment as the book value of the fixed assets is unlikely to be recoverable due to declines in the profitability of business. The recoverable amounts are measured at value in use and calculated by discounting the future cash flows at 5.5%.

Non-Consolidated Balance Sheet
(As of March 31, 2021)

	(Millions of yen)
	Amount
ASSETS	
Current assets	
Cash and time deposits	72,378
Trade receivables	65
Short-term loans receivable from subsidiaries and associates	9,820
Accounts receivable-other	17,515
Income taxes receivable	12,809
Other current assets	1,309
Total current assets	113,898
Fixed assets	
Property, plant and equipment	
Buildings	789
Structures	2,735
Machinery and equipment	14
Tools, furniture and fixtures	440
Land	32,914
Construction in progress	458
Total property, plant and equipment	37,352
Intangible assets	
Software	1,244
Other intangible assets	35
Total intangible assets	1,280
Investments and other assets	
Investment securities	101,895
Shares of subsidiaries and associates	267,872
Other investments and assets	7,567
Total investments and other assets	377,335
Total fixed assets	415,968
TOTAL ASSETS	529,866

	(Millions of yen)
	Amount
LIABILITIES	
Current liabilities	
Short-term borrowings from subsidiaries and associates	113,936
Accounts payable-other	5,324
Accrued income taxes	1,417
Provision for directors' bonuses	224
Provision for stock-based compensation	101
Other current liabilities	814
Total current liabilities	121,819
Long-term liabilities	
Long-term borrowings	20,000
Deferred tax liabilities	20,098
Accrued retirement and severance benefits	15
Guarantee deposits of subsidiaries and associates	2,629
Other long-term liabilities	4,607
Total long-term liabilities	47,352
TOTAL LIABILITIES	169,172
NET ASSETS	
Stockholders' equity	
Common stock	10,000
Capital surplus	
Capital reserve	2,500
Other capital surplus	172,412
Total capital surplus	174,912
Retained earnings	
Legal retained earnings	1,645
Other retained earnings	125,971
General reserve	10,000
Retained earnings carried forward	115,971
Total retained earnings	127,617
Treasury stock	(2,130)
Total stockholders' equity	310,399
Valuation difference and foreign currency translation adjustments	
Valuation difference on available-for-sale securities, net of tax	50,294
Total valuation difference and foreign currency translation adjustments	50,294
TOTAL NET ASSETS	360,694
TOTAL LIABILITIES AND NET ASSETS	529,866

Non-Consolidated Statements of Operations
(From April 1, 2020 to March 31, 2021)

		(Millions of yen)
		Amount
Operating revenue		
Dividends from subsidiaries and associates	110,898	
Business management income from subsidiaries and associates	6,076	
Other operating revenue	0	116,975
Operating expenses		
General and administrative expenses		6,213
Operating profit		110,761
Non-operating income		
Dividend income	546	
Rent income	3,142	
Other non-operating income	106	3,796
Non-operating expenses		
Interest expense	129	
Expenses related to rental assets	2,930	
Other non-operating expenses	304	3,363
Recurring profit		111,194
Extraordinary income		
Gain on sales of investment securities	298	298
Extraordinary loss		
Loss on valuation of shares of subsidiaries and associates	139	
Loss on disposal of fixed assets	158	
Loss on waiver of debt on subsidiaries and associates	966	1,264
Profit before income taxes		110,228
Income taxes - current	599	
Income taxes - deferred	(237)	362
Profit		109,865

Non-Consolidated Statement of Changes in Net Assets (From April 1, 2020 to March 31, 2021)

(Millions of yen)

(millions of yen)

	Stockholders' equity									
	Common stock	Capital surplus			Retained earnings				Treasury stock	Total stockholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings carried forward			
Balance at beginning of year	10,000	2,500	172,195	174,695	1,645	10,000	35,361	47,007	(2,167)	229,535
Changes during the period										
Cash dividends							(29,255)	(29,255)		(29,255)
Profit							109,865	109,865		109,865
Purchase of treasury stock									(9)	(9)
Disposal of treasury stock			216	216					47	263
Net changes of items other than stockholders' equity										
Total changes during the period	—	—	216	216	—	—	80,610	80,610	37	80,864
Balance at end of year	10,000	2,500	172,412	174,912	1,645	10,000	115,971	127,617	(2,130)	310,399

	Valuation difference and foreign currency translation adjustments		Total net assets
	Valuation difference on available-for-sale securities, net of tax	Total valuation difference and foreign currency translation adjustments	
Balance at beginning of year	16,386	16,386	245,921
Changes during the period			
Cash dividends			(29,255)
Profit			109,865
Purchase of treasury stock			(9)
Disposal of treasury stock			263
Net changes of items other than stockholders' equity	33,908	33,908	33,908
Total changes during the period	33,908	33,908	114,772
Balance at end of year	50,294	50,294	360,694

Notes to Non-Consolidated Financial Statements

All sums are shown in millions of yen and have been rounded down.

I. Notes Concerning Significant Accounting Policies

1. Valuation Basis and Methods for Assets:

Valuation basis and methods for securities:

(1) Shares of Subsidiaries and Affiliated Companies:

Stated using the cost method based on the moving average method.

(2) Available-for-sale Securities:

Securities with market quotations:

Stated using the market price method based on market prices, etc. on the closing date.
(Valuation differences are reflected directly in net assets and cost of sales is calculated using the moving average method.)

Securities without market quotations:

Stated using the cost method based on the moving average method.

With respect, however, to contributions to limited partnerships for investment and similar partnerships (deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), these are stated by the net amount corresponding to the Company's equity share, based on the most recent available financial reports according to the date for settlement of accounts provided for in the partnership agreement.

2. Depreciation Methods for Fixed Assets:

(1) Property, Plant and Equipment:

Stated using the declining-balance method.

The general useful life of property, plant and equipment is as follows:

Buildings	3 to 18 years
Structures	2 to 10 years
Machinery and equipment	8 years
Tools, furniture and fixtures	2 to 15 years

(2) Intangible Assets:

Stated using the straight-line method.

The general useful life of software is as follows:

Software (used internally)	5 years
----------------------------	---------

3. Basis of Recognition for Provision:

(1) Provision for Directors' Bonuses:

The Company provides for directors' bonuses based on estimated bonus payments in this fiscal year.

(2) Provision for Stock-based Compensation:

The Company provides for expenses arising in stock remuneration to Officers based on the amount estimated to arise in this fiscal year.

(3) Accrued Retirement and Severance Benefits:

The Company provides for retirement and severance benefits for employees based on estimated retirement benefit obligations and pension plan assets as of the end of this fiscal year.

In calculating accrued retirement and severance benefits and periodic pension cost, the Company uses a simplified method under which retirement benefit obligations are principally based on accrued benefits at the end of the year.

4. Other Important Information Constituting the Basis of Preparation of Non-Consolidated Financial Statements:
 - (1) Accounting Treatment of Consumption Tax:
Consumption tax is accounted for separately and is not figured into each listed item.
 - (2) Application of Consolidated Taxation System
The Company has applied the consolidated taxation system.
 - (3) Application of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System
For the transition to the group tax sharing system established by the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 8 of 2020) and the items for which the non-consolidated taxation system was reviewed in accordance with the transition to the group tax sharing system, the Company does not apply the provision of Paragraph 44 of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, issued on February 16, 2018), and the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax laws before the revision, pursuant to Paragraph 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ PITF No. 39, issued on March 31, 2020).

II. Notes to Changes in Method of Presentation

(Non-Consolidated Balance Sheet)

“Short-term loans receivable from subsidiaries and associates” and “Income taxes receivable,” which had been included in “Other current assets” under “Current assets” up to the previous fiscal year, are stated separately due to the increased materiality from this fiscal year. The total of “Short-term loans receivable from subsidiaries and associates” for the previous fiscal year was 15 million yen and “Income taxes receivable” for the previous fiscal year was 1,471 million yen.

III. Notes to Non-Consolidated Balance Sheet

1. Amount of Accumulated Depreciation of Property, Plant and Equipment: ¥3,521 million
2. Guarantee Obligations
The Company has made guarantees in respect of obligations in connection with leasing contracts of an affiliated company.
BANDAI NAMCO Will Inc. ¥55 million
3. Monetary Claims and Obligations with respect to Affiliated Companies (excluding Amounts Given in Specific Categories)

Short-term monetary claims on affiliated companies:	¥17,580 million
Short-term monetary obligations to affiliated companies:	¥4,636 million
Long-term monetary obligations to affiliated companies:	¥4,116 million

IV. Notes to Non-Consolidated Statements of Operations

Transactions with affiliated companies (excluding amounts given in specific categories)

Operating Transactions:	
Commission fee	¥1,647 million
Non-operating Transactions:	
Non-operating income	¥3,037 million
Non-operating expenses	¥258 million

V. Notes to Non-Consolidated Statement of Changes in Net Assets

The total number and type of treasury stock as of the end of this fiscal year
Common stock 1,999,265 shares

VI. Notes Concerning Tax Effect Accounting

The main factors in the occurrence of deferred tax assets are, among others, denial of loss on valuation of shares of subsidiaries and associates and loss on valuation of investment securities, and they were recorded net of valuation allowance. The main factor in the occurrence of deferred tax liabilities is valuation difference on available-for-sale securities, net of tax.

VII. Notes Concerning Transactions with Related Parties

1. Subsidiaries and Affiliated Companies, etc.

(Millions of yen)

Type	Company	Ratio of voting rights ownership	Relationship with related parties	Content	Amount	Account items	Balance as of March 31, 2021
Subsidiary	BANDAI CO., LTD.	Holding directly 100.0%	Interlocking directorate	Borrowings (Note 1)	15,109	Short-term borrowings from subsidiaries and associates	20,752
				Payment of interest	4	—	—
Subsidiary	BANDAI NAMCO Entertainment Inc.	Holding directly 100.0%	Interlocking directorate	Borrowings (Note 1)	30,382	Short-term borrowings from subsidiaries and associates	43,860
				Payment of interest	9	—	—
				Collection associated with consolidated tax payment	3,292	Accounts receivable-other	6,294
				Payment of commissions (Note 2)	1,683	Accounts payable-other	1,852
Subsidiary	BANDAI NAMCO Amusement Inc.	Holding directly 100.0%	Interlocking directorate	Loans (Note 3)	9,000	Short-term loans receivable from subsidiaries and associates	9,000
				Receipt of interest	29	Other current assets	24
				Borrowings (Note 1)	(128)	Short-term borrowings from subsidiaries and associates	1,870
				Payment of interest	0	—	—
Subsidiary	BANDAI SPIRITS CO., LTD.	Holding directly 100.0%	—	Borrowings (Note 1)	15,292	Short-term borrowings from subsidiaries and associates	25,520
				Payment of interest	4	—	—
Subsidiary	BANDAI NAMCO Studios Inc.	Holding indirectly 100.0%	—	Borrowings (Note 1)	6,539	Short-term borrowings from subsidiaries and associates	6,180
				Payment of interest	2	—	—
Subsidiary	SOTSU CO., LTD.	Holding directly 100.0%	Interlocking directorate	Borrowings (Note 3)	15,000	Short-term borrowings from subsidiaries and associates	15,000
				Payment of interest	3	Other current liabilities	3
Subsidiary	BANDAI NAMCO Business Arc Inc.	Holding directly 100.0%	Interlocking directorate	Payment of administrative services fees (Note 4)	759	Accounts payable-other	69

In the above table, the figures in the column “Amount” do not include consumption taxes, etc., and the figures in the column “Balance as of March 31, 2021” include consumption taxes, etc.

Conditions of transactions and policies for determining the conditions of transactions

- (Notes) 1. The borrowings are transactions made by the cash management system (CMS); the amount stated is the average balance during this fiscal year. To clearly disclose the actual conditions of CMS transactions, the transaction net amount is shown. The interest rate on these borrowings is, based on intra-Group regulations, determined reasonably, taking into account market interest rates.
2. The commissions paid to BANDAI NAMCO Entertainment Inc. are decided through cooperative discussion with that company, giving consideration to the total cost pertaining to the performed services and the like.
 3. Interest rates on these loans and borrowings of money are determined reasonably, giving consideration to market interest rates, conditions of transactions and the like.
 4. The administrative services fees paid to BANDAI NAMCO Business Arc Inc. are decided through cooperative discussion with that company, giving consideration to the total cost pertaining to the performed services and the like.

2. Officers and Major Individual Shareholders, etc.

(Millions of yen)

Type	Name	Ratio of voting rights ownership	Relationship with related parties	Content	Amount	Account items	Balance as of March 31, 2021
Officer	Mitsuaki Taguchi	Ownership directly 0.0%	Chairman and Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	19	—	—
Officer	Masaru Kawaguchi	Ownership directly 0.0%	President and Representative Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	16	—	—
Officer	Shuji Ohtsu	Ownership directly 0.0%	Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	10	—	—
Officer	Yuji Asako	Ownership directly 0.0%	Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	10	—	—
Officer	Yasuo Miyakawa	Ownership directly 0.0%	Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	17	—	—
Officer	Hitoshi Hagiwara	Ownership directly 0.0%	Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	10	—	—
Officer	Kazumi Kawashiro	Ownership directly 0.0%	Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	13	—	—
Officer	Makoto Asanuma	Ownership directly 0.0%	Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	10	—	—
Officer (Note 2)	Yusuke Fukuda	Ownership directly 0.0%	President and Representative Director of a subsidiary of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	14	—	—

(Notes) 1. These items are due to contribution in kind of monetary compensation claims accompanying the performance-based stock compensation plan. The disposal price of treasury stock is determined based on the closing price of common stock of the Company on the First Section of the Tokyo Stock Exchange on June 19, 2020 (the business day immediately preceding the date of the resolution at the Board of Directors Meeting).

2. Mr. Yusuke Fukuda retired from office as President and Representative Director of a subsidiary of the Company on March 31, 2021, and the above-stated transactions are those during his term of office.

VIII. Notes Concerning Per-Share Data

1. Net assets per share:	¥1,639.51
2. Basic earnings per share:	¥499.42

Independent Auditor's Report

May 20, 2021

The Board of Directors
BANDAI NAMCO Holdings Inc.

Tokyo Office, KPMG AZSA LLC

Naoki Matsumoto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Mayuka Katsuki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yasuko Kawamata (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the consolidated financial statements of BANDAI NAMCO Holdings Inc., which comprise the consolidated balance sheet, the consolidated statements of operations, the consolidated statement of changes in net assets and the notes to the consolidated financial statements applicable to the fiscal year from April 1, 2020 through March 31, 2021.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consisted of BANDAI NAMCO Holdings Inc. and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2021 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit

findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Independent Auditor's Report

May 20, 2021

The Board of Directors
BANDAI NAMCO Holdings Inc.

Tokyo Office, KPMG AZSA LLC

Naoki Matsumoto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Mayuka Katsuki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yasuko Kawamata (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion

Pursuant to Article 436, paragraph (2), item (i) of the Companies Act, we have audited the financial statements of BANDAI NAMCO Holdings Inc., which comprise the non-consolidated balance sheet, the non-consolidated statements of operations, the non-consolidated statement of changes in net assets, the notes to the non-consolidated financial statements and the supplementary schedules (the “Financial Statements and Others”) applicable to the 16th fiscal year from April 1, 2020 through March 31, 2021.

In our opinion, the Financial Statements and Others referred to above present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2021 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and Others section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements and Others in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the Financial Statements and Others in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the Financial Statements and Others that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements and Others, management is responsible for assessing whether it is appropriate to prepare the Financial Statements and Others with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our responsibilities are to obtain reasonable assurance about whether the Financial Statements and Others as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the Financial Statements and Others based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these Financial Statements and Others.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements and Others, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the Financial Statements and Others with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements and Others or, if the notes to the Financial Statements and Others on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements and Others. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the Financial Statements and Others and notes to the Financial Statements and Others are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the Financial Statements and Others, including the related notes thereto, and whether the Financial Statements and Others fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably

be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interests in the Company, which should be stated in compliance with the Certified Public Accountants Act.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit & Supervisory Board's Report

Audit Report

We, the Audit & Supervisory Board, prepared this audit report on the execution of duties by Directors during the 16th fiscal year from April 1, 2020 to March 31, 2021, following deliberations based on audit reports prepared by each Audit & Supervisory Board Member.

1. Method and Content of Audits by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) We devised the 16th auditing plan (auditing policies, duties assigned to each Audit & Supervisory Board Member and auditing methods), received reports on the progress on, and results of, audits from each Audit & Supervisory Board Member, as well as reports on the execution of their duties from Directors, etc. and the Accounting Auditor, and requested explanations as necessary.
- (2) Each Audit & Supervisory Board Member communicated with the Directors, the internal auditing division, and other employees, etc., in accordance with the internal regulations established by the Audit & Supervisory Board, and the above-mentioned auditing plan, to collect information and improve the auditing environment and conducted the audits in the following methods.
 - (i) We attended the meetings of the Board of Directors and other significant meetings, received reports on the execution of duties from Directors and employees, etc., obtained explanations thereof as necessary, viewed documents concerning important decisions, and investigated the conditions of operations and assets of the Company. Regarding the Company's subsidiaries, we communicated and shared information with the Directors and the Audit & Supervisory Board Members, etc. of the subsidiaries, and received reports on their business as necessary from them.
 - (ii) We also periodically received reports from Directors and employees, etc., requested explanations as necessary, and expressed opinion, regarding the development and operation of internal control systems that were organized based on decisions by the Board of Directors in relation to the development of a system to ensure that the execution of duties by Directors and other operations of the corporate group consisting of the Company and its subsidiaries as described in the business reports were in conformity with applicable laws and regulations and the Company's Articles of Incorporation, and a system stipulated in Article 100, Paragraphs 1 and 3 of the Enforcement Ordinance of the Companies Act.
 - (iii) We further examined the content of basic policies (Article 118, Item 3-(a) of the Enforcement Ordinance of the Companies Act) and actions (Article 118, Item 3-(b) of the Enforcement Ordinance of the Companies Act) described in business reports based on the meetings of the Board of Directors and other discussions.
 - (iv) We monitored and verified that the Accounting Auditor remained independent and performed audits appropriately, received reports on the execution of its duties from the Accounting Auditor and requested explanations as necessary. We were also notified that a "system for ensuring the proper execution of duties" (as per Article 131 of the Corporate Accounting Rules) was organized in accordance with "Quality Control Standards for Auditing" (October 28, 2005, Business Accounting Council), and requested explanations as necessary.

Using the aforementioned method, we examined the Business Report and the supplementary schedules, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statements of operations, non-consolidated statement of changes in net assets, and notes thereto), their supplementary statements and consolidated financial statements (consolidated balance sheet, consolidated statements of operations, consolidated statement of changes in net assets, and notes thereto) for this fiscal year under review.

2. Results of the Audit

- (1) Audit Results of business reports, etc.
 - (i) We confirm that the business reports and its supplementary statements fairly represent the condition of the Company and are in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
 - (ii) We confirm that, with respect to the execution of duties by Directors, there are no fraudulent acts, or material facts that violate applicable laws and regulations or the Articles of Incorporation.
 - (iii) We confirm that the decisions made by the Board of Directors with regard to internal control systems are proper. We recognize that there is nothing to be cited with respect to the description of those internal control systems in the business reports and the execution of duties by Directors.
 - (iv) We confirm that there is nothing to be cited in respect of the basic policy described in the business reports concerning what and how a person or entity controlling decisions on the financial and business policies of the Company should be. We confirm that actions (Article 118, Item 3-(b) of the Enforcement Ordinance of the Companies Act) described in the business reports are in accordance with this basic policy and that these actions do not damage our Group's value and shareholders' common interest, nor serve to maintain the position of the directors of the Company.
- (2) Audit Result of non-consolidated financial statements and their supplementary statements.
We confirm that the methods and the results of the audit by KPMG AZSA LLC, the Accounting Auditor of the Company, are appropriate.
- (3) Audit Result of consolidated financial statements
We confirm that the methods and the results of the audit by KPMG AZSA LLC, the Accounting Auditor of the Company, are appropriate.

May 21, 2021

Audit & Supervisory Board BANDAI NAMCO Holdings Inc. Full Time Audit & Supervisory Board Member	Masataka Nagaike	(Seal)
Full Time Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Toru Shinoda	(Seal)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Osamu Sudoh	(Seal)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Katsuhiko Kamijo	(Seal)

END