

Initiatives Related to Japan's Corporate Governance Code

Bandai Namco Holdings Inc.

In accordance with Bandai Namco's Purpose, "Fun for All into the Future," the Company and the Group aim to work together with people around the world to continue creating a future for everyone where people and societies are connected with dreams, fun and inspiration. In order to realize "Bandai Namco's Purpose," the Company and the Group sufficiently understand the importance of various stakeholders related to the Company and have a basic management policy of maximizing the corporate value of the Company and its shareholders' common interests over the mid-to long-term.

The Company recognizes that construction of a solid management foundation (corporate governance) is absolutely essential in order to emerge victoriously in the global competition of the fast-changing world of entertainment.

The status of the Company's initiatives on each principle of the Japan's Corporate Governance Code as well as the policies on initiatives are discussed below.

Section 1: Securing the Rights and Equal Treatment of Shareholders

General Principle 1

Companies should take appropriate measures to fully secure shareholder rights and develop an environment in which shareholders can exercise their rights appropriately and effectively.

In addition, companies should secure effective equal treatment of shareholders.

Given their particular sensitivities, adequate consideration should be given to the issues and concerns of minority shareholders and foreign shareholders for the effective exercise of shareholder rights and effective equal treatment of shareholders.

The Company recognizes that shareholders are important stakeholders with respect to the Company, and believes that building long-term relationships of trust with shareholders is one of important management issues. To this end, the Company is developing an environment to ensure effective equal treatment for all shareholders, including minority shareholders and foreign shareholders, and endeavors to develop an environment in which

shareholders can exercise their rights appropriately and effectively.

Principle 1.1 Securing the Rights of Shareholders

Companies should take appropriate measures to fully secure shareholder rights, including voting rights at the General Meeting of Shareholders.

The Company makes sure that all shareholders can effectively exercise their rights, and strives to develop an environment that promotes the exercise of voting rights and dialogue with shareholders.

Supplementary Principles

1.1.1 When the board of Directors recognizes that a considerable number of votes have been cast against a proposal by the company and the proposal was approved, it should analyze the reasons behind opposing votes and why many shareholders opposed, and should consider the need for shareholder dialogue and other measures.

The Company's Board of Directors takes the results of the exercising of voting rights by shareholders at the General Meeting of Shareholders seriously, and uses such results to gain a detailed understanding of shareholders' thoughts, in addition to utilizing outside experts to analyze the pros and cons regarding proposals. In addition, the outcomes of such analyses are used to promote proactive dialogue with shareholders that can be utilized in the future management of the Company.

Supplementary Principles

1.1.2 When proposing to shareholders that certain powers of the general shareholder meeting be delegated to the board, companies should consider whether the board is adequately constituted to fulfill its corporate governance roles and responsibilities. If a company determines that the board is indeed adequately constituted, then it should recognize that such delegation may be desirable from the perspectives of agile decision-making and expertise in business judgment.

When newly delegating certain powers of the General Meeting of Shareholders to the Board of Directors, the Company's Board of Directors recognizes that adequately fulfilling its corporate governance roles and responsibilities is important. As a part of agile and proactive policy for the return of profits to shareholders, resolution matters related

to the acquisition of treasury stock and interim dividends are delegated to the Board of Directors. The Company places the return of profits to shareholders as one of its highest priorities in its management, and thus executes the aforementioned policies in accordance with its basic policy 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.

Supplementary Principles

1.1.3 Given the importance of shareholder rights, companies should ensure that the exercise of shareholder rights is not impeded. In particular, adequate consideration should be given to the special rights that are recognized for minority shareholders with respect to companies and their officers, including the right to seek an injunction against illegal activities or the right to file a shareholder lawsuit, since the exercise of these rights tend to be prone to issues and concerns.

The Company strives to ensure that the rights of all shareholders are equally secured, and gives adequate consideration with respect to the exercise of shareholder rights, including the exercise of rights by minority shareholders.

Principle 1.2 Exercise of Shareholder Rights at General Meeting of Shareholders

Companies should recognize that general shareholder meetings are an opportunity for constructive dialogue with shareholders, and should therefore take appropriate measures to ensure the exercise of shareholder rights at such meetings.

The Company recognizes that the General Meeting of Shareholders is the Company's highest decision-making body and a place to make decisions on important issues for the Company as well as to engage in constructive dialogue with shareholders.

The Company sets the date and location of the General Meeting of Shareholders so that shareholders can attend the meeting, avoiding dates on which many other companies hold the meetings. In addition, the Company has established an environment where shareholders unable to attend the meeting are able to exercise their voting rights via the Internet or other means. Moreover, in the Notice of the General Meeting of Shareholders, the Company strives to use easy-to-understand explanation, using charts and tables, etc. to help shareholders understand the contents.

Supplementary Principles

- 1.2.1 Companies should provide accurate information to shareholders as necessary in order to facilitate appropriate decision-making at general shareholder meetings.

In order to promote the understanding of purpose, including proposals, in the Notice of the General Meeting of Shareholders, the Company strives to use easy-to-understand explanation, using charts and tables, etc. to help shareholders understand the contents and strives to accurately provide information that will facilitate decision-making by shareholders.

In addition, the Company makes English version of the entire Notice of the General Meeting of Shareholders, not limited to reference documents for proposals, but also including business reports and financial statements, and posts it on the websites of Tokyo Stock Exchange as well as the Company's website.

Supplementary Principles

- 1.2.2 While ensuring the accuracy of content, companies should strive to send convening notices for general shareholder meetings early enough to give shareholders sufficient time to consider the agenda. During the period between the board approval of convening the general shareholder meeting and sending the convening notice, information included in the convening notice should be disclosed by electronic means such as through TDnet or on the company's website.

While making sure that the External Accounting Auditor has an appropriate amount of time to perform its audit and taking other factors into consideration, the Company strives to send the Notice of the General Meeting of Shareholders three weeks prior to the date of the General Meeting of Shareholders, so as to give shareholders sufficient time to consider the proposals. Furthermore, prior to sending out the notice, the Company discloses the notice and meeting materials digitally on its corporate website and the website of Tokyo Stock Exchange.

Supplementary Principles

- 1.2.3 The determination of the date of the general shareholder meeting and any associated dates should be made in consideration of facilitating sufficient constructive dialogue with shareholders and ensuring the accuracy of information necessary for such dialogue.

Recognizing that the General Meeting of Shareholders is an opportunity for constructive dialogue with

shareholders, the Company sets the date of the meeting so that as shareholders can attend the meeting, avoiding dates on which many other companies hold the meetings.

Supplementary Principles

1.2.4 Bearing in mind the number of institutional and foreign shareholders, companies should take steps for the creation of an infrastructure allowing electronic voting, including the use of the Electronic Voting Platform, and the provision of English translations of the convening notices of general shareholders meeting.

In particular, companies listed on the Prime Market should make the Electronic Voting Platform available, at least to institutional investors.

The Company works to develop an environment that makes it easy for institutional investors and foreign shareholders to exercise their voting rights, and strives to make it more convenient for shareholders to exercise their voting rights by introducing an electronic voting system via the Internet, etc., and through the use of the Electronic Voting Platform.

In addition, to enable foreign shareholders to understand the contents as quickly and accurately as possible, the Company creates English version of the entire Notice of the General Meeting of Shareholders, not limited to reference documents for proposals, but also including business reports and financial statements, and posts it on the websites of Tokyo Stock Exchange as well as the Company's website.

Supplementary Principles

1.2.5 In order to prepare for cases where institutional investors who hold shares in street name express an interest in advance of the general shareholder meeting in attending the meeting or exercising voting rights, companies should work with the trust bank (*shintaku ginko*) and/or custodial institutions to consider such possibility.

In cases where substantial shareholders who hold shares in the name of a trust bank and/or custodial institution request to exercise their shareholder rights on their own at the General Meeting of Shareholders, the Company allows such shareholders to attend, provided that they have conducted the designated procedures in advance, such as showing proof that they are the substantial shareholders and showing proof in advance of voting rights exercise status.

Principle 1.3 Basic Strategy for Capital Policy

Because capital policy may have a significant effect on shareholder returns, companies should explain their basic strategy with respect to their capital policy.

The Company has adopted consolidated net sales, consolidated operating profit, and ROE (Return on Equity) as management performance indicators. Looking ahead, the Company shall strive to continue to secure ROE of 12% or more by aiming to further expand profits through execution of strategies under the Mid-term Plan, as well as by effectively utilizing stockholders' equity.

The Company's fundamental policy for providing a return to shareholders is as follows. With consideration for the cost of capital, the Company shall provide a return to shareholders that targets a total return ratio of 50% or more based on stable dividend payments of 2% of DOE.

In regard to treasury stock acquisitions, the Company's consideration will comprehensively take into account the amount of funds on hand, performance trends, recent share price trends, the existence or nonexistence of major investment proposals, and other factors.

Principle 1.4 Cross-Shareholdings

When companies hold shares of other listed companies as cross-shareholdings, they should disclose their policy with respect to doing so, including their policies regarding the reduction of cross-shareholdings. In addition, the board should annually assess whether or not to hold each individual cross-shareholding, specifically examining whether the purpose is appropriate and whether the benefits and risks from each holding cover the company's cost of capital. The results of this assessment should be disclosed.

Companies should establish and disclose specific standards with respect to the voting rights as to their cross-shareholdings, and vote in accordance with the standards.

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

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

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

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

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

Supplementary Principles

- 1.4.1 When cross-shareholders (i.e., shareholders who hold a company's shares for the purpose of cross-shareholding) indicate their intention to sell their shares, companies should not hinder the sale of the cross-held shares by, for instance, implying a possible reduction of business transactions.

In the event that cross-shareholders of the Company's shares indicate their intention to sell their shares, the Company responds in an appropriate manner in line with those intentions.

Supplementary Principles

- 1.4.2 Companies should not engage in transactions with cross-shareholders which may harm the interests of the companies or the common interests of their shareholders by, for instance, continuing the transactions without carefully examining the underlying economic rationale.

The Company carefully examines the underlying economic rationale for all transactions before implementing them. The Company does not engage in transactions that harm the interests of the companies or the common interests of their shareholders.

Principle 1.5 Takeover Defense Measures

Takeover defense measures must not have any objective associated with entrenchment of the management or board. With respect to the adoption or implementation of takeover defense measures, the board and Audit & Supervisory Board members should carefully examine their necessity and rationale in light of their fiduciary responsibility to shareholders, ensure appropriate procedures, and provide sufficient explanation to shareholders.

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 Committee, which is composed only of Independent Outside Directors, for a 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.

Supplementary Principle

1.5.1 In case of a tender offer, companies should clearly explain the position of the Board of Directors, including any counteroffers, and should not take measures that would frustrate shareholder rights to sell their shares in response to the tender offer.

In the event that the Company's shares are the target of a tender offer, the Company will ask the party making the tender offer to explain its measures to increase the Group's corporate value. In addition, in response to the proposal from such party, the management team shall not take steps to guard its own interests, but shall provide an explanation to shareholders on the measures that can be taken that will facilitate a decision that places a top priority on further increasing the Group's corporate value.

Principle 1.6 Capital Policy that May Harm Shareholder Interests

With respect to a company's capital policy that results in the change of control or in significant dilution, including share offerings and management buyouts, the board and Audit & Supervisory Board members should, in order not to unfairly harm the existing shareholders' interests, carefully examine the necessity and rationale from the perspective of their fiduciary responsibility to shareholders, should ensure appropriate procedures, and provide sufficient explanation to shareholders.

If the Company implements a capital policy that results in the change of control or in significant dilution, the Board of Directors adequately examines the appropriateness and rationale of the policy, including the compliance with all relevant laws and regulations, including the rules of disclosure, and if necessary, discloses such information on the Company's website as well as provides an explanation at the General Meeting of Shareholders, the information session of the Financial Results, etc.

Principle 1.7 Related Party Transactions

When a company engages in transactions with its directors or major shareholders (i.e., related party transactions), in order to ensure that such transactions do not harm the interests of the company or the common interests of its shareholders and prevent any concerns with respect to such harm, the board should establish appropriate procedures beforehand in proportion to the importance and characteristics of the transaction. In addition to their use by the board in approving and monitoring such transactions, these procedures should be disclosed.

When the Company engages in transactions with Directors, principal shareholders and/or other related parties, the Company shall receive approval for such transactions following deliberations by the Board of Directors, requesting the opinions of Independent Outside Directors and Directors who are Audit & Supervisory Committee Members. Also, the Company has put in place a framework for requesting reports to the Board of Directors as needed with respect to the status of any transactions which present a conflict of interest. Furthermore, in the event of business transactions between related parties, such transactions are disclosed in accordance with laws and regulations such as the Companies Act and the Financial Instruments and Exchange Act, as well as pursuant to the regulations established by Tokyo Stock Exchange.

Section 2: Appropriate Cooperation with Stakeholders Other Than Shareholders

General Principle 2

Companies should fully recognize that their sustainable growth and the creation of mid- to long-term corporate value are brought about as a result of the provision of resources and contributions made by a range of stakeholders, including employees, customers, business partners, creditors, and local communities. As such, companies should endeavor to appropriately cooperate with these stakeholders.

The board and the management should exercise their leadership in establishing a corporate culture where the rights and positions of stakeholders are respected and sound business ethics are ensured.

In accordance with Bandai Namco's Purpose, "Fun for All into the Future," the Company and the Group aim to work together with people around the world to continue creating a future for everyone where people and societies are connected with dreams, fun and inspiration. In order to realize "Bandai Namco's Purpose" and to achieve sustainable growth and increases in mid- to long-term corporate value, the Company recognizes that it is absolutely essential to cooperate with the Company's various stakeholders, including its employees, customers, business partners, creditors and local communities.

Also, in order to realize "Bandai Namco's Purpose," the Company recognizes that, regardless of country or region, complying with the letter and spirit of all laws, fulfilling social responsibilities, pursuing profits in fair and unrestricted competition, and contributing broadly to society through corporate activities are universal and important missions imposed on companies that build relationships of trust with society and fulfill the role of driving progress toward the realization of a sustainable society. Based on this belief, the Company has formulated the "Bandai Namco Group Declaration of Compliance," which is the code of conduct that each of the Company's and the Group's officers and employees should comply with when executing business, and the content of the Declaration is widely ingrained in officers and employees of the Company and the Group.

Bandai Namco's Purpose URL <https://www.bandainamco.co.jp/en/about/purpose.html>

Principle 2.1 Business Principles as the Foundation of Corporate Value Creation Over the Mid- to Long-Term

Guided by their position concerning social responsibility, companies should undertake their businesses in order to create value for all stakeholders while increasing corporate value over the mid- to long-term. To this end, companies should draft and maintain business principles that will become the basis for such activities.

In accordance with Bandai Namco's Purpose, "Fun for All into the Future," the Company and the Group aim to

work together with people around the world to continue creating a future for everyone where people and societies are connected with dreams, fun and inspiration. In order to realize “Bandai Namco’s Purpose,” the Company sufficiently understands the importance of its various stakeholders, has a basic management policy of maximizing the Company’s corporate value as well as shareholders’ common interests, and has formulated a Mid-term Plan in order to maximize corporate value. Details of the Mid-term Plan are disclosed on the Company’s website as well as explained at the General Meeting of Shareholders, the information session of the Financial Results, etc.

Furthermore, in order to ingrain the Mid-term Plan in the officers and employees of the Company and the Group, the Company regularly holds internal seminars and strives to confirm that its people understand the plan.

In addition, the next three-year Mid-term Plan, which was scheduled to begin in April 2021, will now begin in April 2022. The reason for this postponement is that, based on consideration of the expected significant changes in customers’ lifestyles and values as well as the changes in the environment and the achievements and issues of the previous Mid-term Plan, the Company has deemed it necessary to formulate the next Mid-term Plan in a manner that reflects new ways for Bandai Namco to compete in a new era. The Company views the fiscal year ending March 31, 2022, as a period for formulating the next Mid-term Plan and developing the business foundations and organizational structure to pursue its strategies.

Bandai Namco’s Purpose URL <https://www.bandainamco.co.jp/en/about/purpose.html>

Mid-term Plan URL <https://www.bandainamco.co.jp/en/ir/message/midtermplan.html>

Principle 2.2 Code of Conduct

Companies should draft and implement a code of conduct for employees in order to express their values with respect to appropriate cooperation with and serving the interests of stakeholders and carrying out sound and ethical business activities. The board should be responsible for drafting and revising the code of conduct, and should ensure its compliance broadly across the organization, including the front line of domestic and global operations.

The Company recognizes that, regardless of country or region, complying with the letter and spirit of all laws, fulfilling social responsibilities, pursuing profits in fair and unrestricted competition, and contributing broadly to society through corporate activities are universal and important missions imposed on companies that build relationships of trust with society and fulfill the role of driving progress toward the realization of a sustainable society. Based on this belief, the Company has formulated the “Bandai Namco Group Compliance Charter” which is the code of conduct that each of the Company’s and the Group’s officers and employees should comply with when executing business.

In order to widely ingrain the “Bandai Namco Group Compliance Charter” in officers and employees of the Company and the Group, the Company strives to ingrain this spirit by making posters and requiring Group companies, including overseas subsidiaries, to display the posters.

Also, in order to promote an understanding of the detailed explanations of each of the Declaration's provisions as well as the objective behind its formulation, the Company has produced a handbook and a video as a guide for the Declaration, which is distributed to officers and employees of the Company and the Group.

Supplementary Principle

2.2.1 The board should review regularly (or where appropriate) whether or not the code of conduct is being widely implemented. The review should focus on the substantive assessment of whether the company's corporate culture truly embraces the intent and spirit of the code of conduct, and not solely on the form of implementation and compliance.

In order to review whether or not the meaning about the "Bandai Namco Group Compliance Charter" is spread and is being widely implemented, the Company is conducting e-learning using the Group intranet, targeting officers and employees of the Company and the Group. In addition, the Company regularly conducts compliance awareness surveys in order to confirm that its people understand the Charter, and uses these surveys for future activities to promote compliance.

The outcomes of e-learning and the results of compliance awareness surveys are shared with the Company's Directors and also the Board of Directors as needed.

Principle 2.3 Sustainability Issues, Including Social and Environmental Matters

Companies should take appropriate measures to address sustainability issues, including social and environmental matters.

The Company has positioned its Purpose, Fun for All into the Future, as the ultimate definition of the Group and, based on the IP Axis Strategy, has formulated the "Bandai Namco Group Sustainability Policy" to promote sustainability activities corresponding to social issues that should be addressed by the Group together with fans. The Company is promoting sustainability activities aimed at realizing a sustainable society in collaboration with fans, all business partners, Group employees, and society.

Under the Mid-term Plan that commenced in April 2022, the Company has adopted "sustainability: connecting to a smile into the future" based on the awareness that sustainability activities are key initiatives in the management strategies and is promoting a concrete action plan based on specified material issues (harmonious coexistence with the natural environment, provision of appropriate products and services, appropriate utilization and protection of intellectual property, establishment of work environments that facilitate mutual respect, and harmonious coexistence with communities) as social issues that should be addressed by the Group. The Company is also

advancing decarbonization initiatives by establishing targets and steps for reducing energy-related CO₂ emissions by 2050 in response to issues in the natural environment facing society. Furthermore, the Company is introducing a sustainability evaluation in bonuses as variable remuneration under the remuneration framework for Directors (excluding Audit & Supervisory Committee Members and outside directors).

The Company is currently considering numerical targets for each material issue, excluding decarbonization, based on the characteristics of each business.

Sustainability Initiatives URL <https://www.bandainamco.co.jp/en/sustainability/index.html>

Supplementary Principle

- 2.3.1 The board should recognize that dealing with sustainability issues, such as taking care of climate change and other global environmental issues, respect of human rights, fair and appropriate treatment of the workforce including caring for their health and working environment, fair and reasonable transactions with suppliers, and crisis management for natural disasters, are important management issues that can lead to earning opportunities as well as risk mitigation, and should further consider addressing these matters positively and proactively in terms of increasing corporate value over the mid-to long-term.

In promoting sustainability activities, the Company has established the Group Sustainability Committee, which is chaired by the Company's president and representative director, and comprises the Company's full-time directors, the presidents of business management companies (Bandai Namco Entertainment Inc., BANDAI CO., LTD., Bandai Namco Filmworks Inc., and Bandai Namco Amusement Inc.), and others. The Committee engages in sustainability activities in coordination with the businesses. Specifically, the Group Sustainability Committee, which is directly under the Board of Directors, discusses and considers each measure related to the sustainability strategies based on the awareness that sustainability activities are key initiatives in the management strategies and periodically reports to the Board of Directors, where the measures are discussed and supervised. Furthermore, at the same time as appointing a director in charge Group sustainability (Chief Sustainability Officer), the Company aims to promote sustainability-related activities by establishing the Sustainability Management Department, which supervises Groupwide sustainability activities. The Company is also engaging in activities aligned with the Bandai Namco Group Sustainability Policy and material issues by establishing the Group Sustainability Subcommittee as an organization under the Group Sustainability Committee.

Sustainability Initiatives URL <https://www.bandainamco.co.jp/en/sustainability/index.html>

Principle 2.4 Ensuring Diversity, Including Active Participation of Women

Companies should recognize that the existence of diverse perspectives and values reflecting a variety of experiences, skills and characteristics is a strength that supports their sustainable growth. As such, companies should promote diversity of personnel, including the active participation of women.

In accordance with our Purpose, the Group strives to be a corporate group with “Same Spirit, Diverse Talents,” where diverse people of different skills, individual characteristics and values can thrive. We have always focused on recruiting and promoting individuals regardless of whether they are new graduates or mid-career hires and regardless of gender, age, nationality, race, religion, sexual orientation, or other personal characteristics, in addition to which we have focused on developing various systems and environments that enable a diverse array of people to thrive and work in a way that is both physically and mentally healthy. In addition, we have promoted initiatives such as those that support challenges taken on by employees and that develop human resources who promote the IP axis strategy on a global scale, while at the same time promoting measures for new and diverse ways to work and the development of systems therefor. Furthermore, the Company is actively coordinating and collaborating with external human resources.

The individuality and talents of each employee are emphasized to maintain diversity and the Company aims to diversify attributes to meet the characteristics of the business. In promoting the advancement of female employees in the workplace, the Company implements impartial evaluations based on abilities and experience, and is continuing to improve the number of female managers by increasing the number of full-time, permanent female employees. Going forward, the Company will also continue to actively engage in maintaining diversity by annually increasing the number of local employees in line with the globalization of its businesses.

In developing human resources, to connect people around the world with dreams, fun, and inspiration and globally promote its IP axis strategy, the Company emphasizes fostering a sense of unity through the ALL BANDAI NAMCO concept. Under this concept, the Company works together with its businesses to exceed the boundaries between regions and Units under the Group's Purpose and to place importance on developing human resources who can work on a global scale. Specifically, at the same time as implementing Groupwide training across business and regions for development of human resource development to lead the Group, the Company is promoting development on the two axes of Groupwide initiatives and business-based initiatives, such as implementing business-based initiatives in specialized areas based on business characteristics. The Company is also actively carrying out personnel rotations across businesses, such as between business management companies, and engaging in human resource development with the Group at the core, including understanding each business developed by the Group.

As an initiative aimed at realizing a workplace of mutual respect, the Company is promoting the development of an environment where diverse personnel can work in a manner that is health in body and mind, based on the Purpose. Each Group company develops and operates various systems according to each business, such as the flextime system,

discretionary labor system, shortened working times, and staggered working times.

Establishment of work environments that facilitate mutual respect URL

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

Supplementary Principle

2.4.1 Companies should present their policies and voluntary and measurable goals for ensuring diversity in the promotion to core human resources, such as the promotion of women, foreign nationals and midcareer hires to middle managerial positions, as well as disclosing their status. In addition, in light of the importance of human resource strategies for increasing corporate value over the mid-to long-term, companies should present its policies for human resource development and internal environment development to ensure diversity, as well as the status of their implementation.

In terms of maintaining diversity in the appointment of core personnel and others, the Company and the Group recognize that the development of environments in which diverse human resources with abundant individuality can work energetically will lead to the sustainable growth of the Group and enhancement of corporate value. The Company has developed training programs in line with a variety of ranks and characteristics, from newly hired employees to managers, by securing and promoting top-grade human resources, including core personnel, without regard to whether they are new graduates or mid-career hires, their gender, age, nationality, race, religion, or sexual identity. The Company is also working to introduce various systems and develop an environment that realizes diverse working styles and supports employees as they take on new challenges to ensure that each individual's personality can shine through.

The percentage of female managers, which has been set as one of the Company's main KPIs, was 17.4% as of March 31, 2018 and rose to 21.2% by March 31, 2023 (the total figure for the five main domestic Group companies in FY2023.3). Furthermore, the percentage of non-Japanese directors appointed as Group core personnel was 16.5% as of March 31, 2023 (calculated from the number of directors across the entire Group). The Company conducts recruitment activities in light of the needs of its business strategies and recruited 108 mid-career hires in the fiscal year ended March 31, 2023 (the total figure for the five main domestic Group companies in the fiscal year ended March 31, 2023, with 124 new graduates recruited in the same period). Following recruitment, the Company engages in developing candidates for core personnel that will support the next generation by carrying out career development support through measures including training and job rotation, regardless of whether they are new graduates or mid-career hires. Going forward, the Company will increase diversity in core personnel, whether they are new graduates or mid-career hires, regardless of their gender, age, nationality, race, religion, or sexual identity, by continuously measuring figures and promoting various measures.

The Company also discloses figures, such as the percentage of male employees taking childcare leave, the percentage of female employees returning to work after taking childcare leave, and the gender wage gap for

employees at consolidated subsidiaries, in its Financial report. The Company discloses concrete initiatives and results for maintaining diversity in activities including appointment of core personnel on its corporate website and in its Integrated Report. The Company is also currently considering targets for human capital indicators based on the current status of human capital initiatives as a group with diverse businesses.

Establishment of work environments that facilitate mutual respect URL

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

Integrated report URL

<https://www.bandainamco.co.jp/en/ir/library/integratedreports.html>

Principle 2.5 Whistleblowing

Companies should establish an appropriate framework for whistleblowing such that employees can report illegal or inappropriate behavior, disclosures, or any other serious concerns without fear of suffering from disadvantageous treatment. Also, the framework should allow for an objective assessment and appropriate response to the reported issues, and the board should be responsible for both establishing this framework, and ensuring and monitoring its enforcement.

The Company has established an appropriate framework concerning whistleblowing, including the Group Risk Compliance Rules as internal rules related to whistleblowing, and these rules include detailed provisions concerning matters such as whistleblowing methods and about holding Group Risk Compliance Committee meetings to study and address whistleblowing if it occurs.

In addition, a Director in charge of compliance has been appointed to review whether or not the whistleblowing system is being managed appropriately, and to report on the status of implementation to the Board of Directors as necessary.

Supplementary Principle

2.5.1 As a part of establishing a framework for whistleblowing, companies should establish a point of contact that is independent of the management (for example, a panel consisting of outside directors and outside Audit & Supervisory Board members). In addition, rules should be established to secure the confidentiality of the information provider and prohibit any disadvantageous treatment.

In the Group Risk Compliance Rules, the internal rules related to whistleblowing, the Company does not restrict the method for whistleblowing, and has established a framework for whistleblowing in order to prevent the outbreak of crises. The Company established an outside consultation service with external legal advisors, etc., and has also created a hotline (e-mail, etc.) for employees to use to report directly to Directors who are Audit & Supervisory

Committee Members or to Audit & Supervisory Board Members of subsidiaries.

Furthermore, the Group Risk Compliance Rules stipulate that whistleblowing reports must be kept confidential, and that information providers shall not be subject to any disadvantageous treatment.

Principle 2.6 Roles of Corporate Pension Funds as Asset Owners

Because the management of corporate pension funds impacts stable asset formation for employees and companies' own financial standing, companies should take and disclose measures to improve human resources and operational practices, such as the recruitment or assignment of qualified persons, in order to increase the investment management expertise of corporate pension funds (including stewardship activities such as monitoring the asset managers of corporate pension funds), thus making sure that corporate pension funds perform their roles as asset owners. Companies should ensure that conflicts of interest which could arise between pension fund beneficiaries and companies are appropriately managed.

The Company has introduced two corporate pension plans, a defined-benefit corporate pension and a defined-contribution corporate pension. In regard to the management of the reserve for the defined-benefit corporate pension, the Company has formulated rules for appropriate, stable functioning, and management is conducted in accordance with these rules. Specifically, basic policies for the management of the reserve have been formulated. In addition, a committee led by the Division General Manager of the Group Administrative Headquarters has been established. The Company has established a system to maintain sound pension plan management in the future.

In addition, the Company has decided on multiple optimal investment institutions in accordance with asset ratios stipulated in the basic policies, and periodically implements quantitative and qualitative evaluations of the investment institutions. In addition, the results of the reserve management are disclosed to employees through the intranet, etc., and are also reported to the Board of Directors.

Section 3: Ensuring Appropriate Information Disclosure and Transparency

General Principle 3

Companies should appropriately make information disclosure in compliance with the relevant laws and regulations, but should also strive to actively provide information beyond that required by law. This includes both financial information, such as financial standing and operating results, and non-financial information, such as business strategies and business issues, risk, and governance.

The Board of Directors should recognize that disclosed information will serve as the basis for constructive dialogue with shareholders, and therefore ensure that such information, particularly non-financial information, is accurate, clear, and useful.

The Company recognizes that disclosing appropriate and reliable corporate information at an appropriate time and in a fair manner, without concealing information, is an important management issue to ensure management transparency, and is essential to gain the understanding and trust of all stakeholders. To this end, in addition to complying with laws and regulations such as the Companies Act and the Financial Instruments and Exchange Act, as well as the regulations set by Tokyo Stock Exchange, the Company proactively discloses information beyond that required by laws and regulations which the Company determines to be important for shareholders and other stakeholders.

Principle 3.1 Full Disclosure

In addition to making information disclosure in compliance with relevant laws and regulations, companies should disclose and proactively provide the information listed below (along with the disclosures specified by the principles of the Code) in order to enhance transparency and fairness in decision-making and ensure effective corporate governance:

- i) Company objectives (e.g., business principles), business strategies and business plans;
- ii) Basic views and guidelines on corporate governance based on each of the principles of the Code;
- iii) Board policies and procedures in determining the remuneration of the senior management and Directors;
- iv) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors and Audit & Supervisory Board member candidates; and
- v) Explanations with respect to the individual appointments/dismissals and nominations based on iv).

- (i) In disclosing corporate information, the Company discloses appropriate information, including its IR policy, in

a timely manner in accordance with the regulations stipulated in relevant laws and regulations such as the Financial Instruments and Exchange Act, as well as the regulations established by Tokyo Stock Exchange, and also aims to ensure the promptness and fairness of information such as by disclosing information on the Company's website.

The Company's Purpose, Mid-term Plan, IR policy, and other materials are disclosed on the Company's website.

Bandai Namco's Purpose URL <https://www.bandainamco.co.jp/en/about/purpose.html>

Mid-term Plan URL <https://www.bandainamco.co.jp/en/ir/message/midtermplan.html>

IR Policy URL https://www.bandainamco.co.jp/en/ir/ir_policy.html

- (ii) In accordance with Bandai Namco's Purpose, "Fun for All into the Future," the Company and the Group aim to work together with people around the world to continue creating a future for everyone where people and societies are connected with dreams, fun and inspiration. In order to realize "Bandai Namco's Purpose," the Company and the Group sufficiently understand the importance of various stakeholders related to the Company and have a basic management policy of maximizing the corporate value of the Company and its shareholders' common interests over the mid-to long-term. Furthermore, the Company recognizes that construction of a solid management foundation (corporate governance) is absolutely essential in order to emerge victoriously in the global competition of the fast-changing world of entertainment. In accordance with this philosophy, the Company has established a Basic Philosophy on Corporate Governance.

Basic Philosophy on Corporate Governance URL

<https://www.bandainamco.co.jp/en/sustainability/governance/pdf/policy.pdf>

- (iii) The details of the policy for determining the composition of remuneration, etc. of individual Directors are as follows:

a. Basic policy

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

Remuneration for the Company's Directors who are Audit & Supervisory Committee Members and the Company's Outside Directors solely comprises the base remuneration in light of their duties. The amount of remuneration for a Director who is an Audit & Supervisory Committee Member is determined through discussions among Directors who

are Audit & Supervisory Committee Members, and the amount of remuneration for an Outside Director (who is not an Audit & Supervisory Committee Member) is determined by the Board of Directors.

b. Fixed remuneration (base remuneration)

The base remuneration for the Company's Directors (excluding Audit & Supervisory Committee Members) is monthly fixed remuneration paid in cash, and paid within a specific time period every month with a limit of 450 million yen per year (including 100 million yen per year for Outside Directors). In addition, Directors (excluding Audit & Supervisory Committee Members and Outside Directors) contribute a fixed proportion of the base remuneration to the shareholding association for directors and officers to purchase the Company's shares.

The base remuneration for Audit & Supervisory Committee Members who are directors is monthly fixed remuneration paid in cash, and paid within a specific time period every month. The limit is 200 million yen per year.

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

The variable remuneration of the Company, namely performance-based bonuses and performance-based stock compensation, for the Company's Directors (excluding Audit & Supervisory Committee Members and Outside Directors) uses the consolidated operating profit of the Group as an indicator with the aim of directly reflecting the evaluation of management efforts by the management team of the Group in the amount of remuneration to be paid.

Performance-based bonuses

Performance-based bonuses of the Company are calculated within a range of 0% to 200% of the predetermined base amount based on the rates of achievement of the Mid-term Plan targets, fiscal year targets, and year-on-year [performance/results] for the Group's actual consolidated operating profit, for each fiscal year, with the payment ratio changing within that range depending on the results of sustainability evaluations. If any of the rates of achievement is 50% or lower, performance-based bonuses will not be paid. Performance-based bonuses will be determined within a limit of the smaller of (i) 550 million yen per year as the limit for cash bonuses or (ii) 1.5% of the "profit attributable to owners of parent for the period." The remuneration is paid within a specific time period every year after the end of the relevant fiscal year.

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

Performance-based stock compensation

The performance-based stock compensation of the Company (which corresponds to profit-related remuneration prescribed in the Corporation Tax Act) is to be paid only if the consolidated operating profit of the Group is 75 billion yen or more, and the payment ratio will be 100% if the consolidated operating profit reaches 125 billion yen (the target for the last fiscal year under the Mid-term Plan, which started in April 2022). Whether compensation is paid or not and the level of compensation are determined in each fiscal year. Under the framework, the number of reference share units is predetermined for each officer rank, and shares of common stock of the Company and cash corresponding to the number of payment share units, which are finalized based on the degree of attainment of the consolidated operating profit target, will be delivered or paid. Furthermore, the performance-based stock compensation will be paid within two months from the day following the day on which an ordinary general meeting of shareholders is held for the relevant fiscal year.

d. Remuneration structure

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

e. Procedures for determining remuneration

The policy, framework, and performance-based mechanism for remuneration for the Company's Directors (excluding Audit & Supervisory Committee Members and Outside Directors) will be determined by the Board of Directors after deliberation by the Personnel Committee, which is an optional committee chaired by an independent Outside Director and of which a majority of the members are independent Outside Directors, in order to seek the appropriate involvement and advice of the Outside Directors.

- (iv) When appointing/dismissing members of the senior management team and electing candidates for Director (excluding Audit & Supervisory Committee Members), the Company considers the necessary abilities, experience, personality, and others according to the role, and decisions are made by the Board of Directors following consultations with and recommendations from the Personnel Committee, which is an optional committee comprising a majority of Outside Directors and having an Independent Outside Director as the chair,

as well as following interviews by Outside Directors. In addition, when electing candidates for Directors who are Audit & Supervisory Committee Members, the Company considers the necessary abilities, experience, personality, and others, and decisions are made by the Board of Directors after receiving consent from the Audit & Supervisory Committee.

Furthermore, in the same way as appointment and dismissal of representative directors, remuneration is determined by the Board of Directors via inquiries made to the Personnel Committee.

- (v) Based on discussions by the Company's Personnel Committee and a resolution passed by the Board of Directors, the reasons for electing all candidates for Director will be disclosed in the Notice of the General Meeting of Shareholders.

Supplementary Principles

- 3.1.1 These disclosures, including disclosures in compliance with relevant laws and regulations, should add value for investors, and the board should ensure that information is not boiler-plate or lacking in detail.

The Company recognizes that disclosing appropriate and reliable corporate information at an appropriate time and in a fair manner, without concealing information, is an important management issue to ensure management transparency, and is essential to gain the understanding and trust of all stakeholders. Based on this recognition, the Company strives to provide detailed and easy-to-understand descriptions for disclosing information.

Supplementary Principles

- 3.1.2 Bearing in mind the number of foreign investors, companies should, to the extent reasonable, take steps for providing English language disclosures.
- In particular, companies listed on the Prime Market should disclose and provide necessary information in their disclosure documents in English.

Considering the Company's shareholder composition, the Company provides information to foreign shareholders. This includes producing English versions of the Notice of the General Meeting of Shareholders, the Consolidated Financial Report, materials for the information session of the Financial Results and other materials, and posting such materials on the Company's English website.

Supplementary Principle

3.1.3 Companies should appropriately disclose their initiatives on sustainability when disclosing their management strategies. They should also provide information on investments in human capital and intellectual properties in an understandable and specific manner, while being conscious of the consistency with their own management strategies and issues.

In particular, companies listed on the Prime Market should collect and analyze the necessary data on the impact of climate change-related risks and earning opportunities on their business activities and profits, and enhance the quality and quantity of disclosure based on the TCFD recommendations, which are an internationally well-established disclosure framework, or an equivalent framework.

In order to fulfill its responsibility as a member of society in realizing a sustainable society, the Company has formulated the “Bandai Namco Group Sustainability Policy,” which has been decided on by the Board of Directors. Specifically, under the IP Axis Strategy, the Company will work with fans to promote sustainability activities corresponding to social issues that should be addressed by the Group, such as environmental issues.

In addition, the Company issues an integrated report annually, along with other reports, to provide information about its sustainability activities and so forth, and discloses the status of its sustainability-related activities on the Company website. Moreover, the Company has conducted disclosures in its Financial Report, corporate website, and Integrated Report regarding climate change in line with the framework of the TCFD recommendations.

Furthermore, the Company is developing a business model around the intellectual property (IP), such as characters, axis. Its protection of IP and activities are one of the most important factors for the Group's sustainable growth and increase in corporate value, and the Company recognizes that the appointment and training of appropriate human resources to execute these are essential.

The Company discloses information about its investment, measures, and appointment and training of human resources for the protection and utilization of IP through the Company website, the integrated report, and other means.

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

Integrated report URL <https://www.bandainamco.co.jp/en/ir/library/integratedreports.html>

Principle 3.2 External Accounting Auditors

External auditors and companies should recognize the responsibility that external auditors owe toward shareholders and investors, and take appropriate steps to secure the proper execution of audits.

The Company recognizes the responsibility that External Accounting Auditors owe toward shareholders and

investors who use information, and that External Accounting Auditors ensure the reliability of information that listed companies disclose through the audits. Based on the recognition, the Company strives to secure an audit system under which the Directors who are Audit & Supervisory Committee Members, the Internal Auditing Division, the Accounting Division, and other related divisions can exchange opinions with External Accounting Auditors whenever necessary, and work together to ascertain and identify problems related to the Group's business operations, as well as make improvement reports. In addition, the Company strives to secure an audit schedule and audit system which allow for the External Accounting Auditor to perform appropriate audits.

Supplementary Principles

3.2.1 The Audit & Supervisory Board should, at minimum, ensure the following:

- i) Establish standards for the appropriate selection of external auditor candidates and proper evaluation of external auditors; and
- ii) Verify whether external auditors possess necessary independence and expertise to fulfill their responsibilities.

- (i) In exercising its right to decide proposals such as electing and dismissing the External Accounting Auditors, the Audit & Supervisory Committee of the Company is expected to evaluate the appropriateness and suitability of the current External Accounting Auditors' auditing activities. In carrying out such evaluations, the Audit & Supervisory Committee receives reports about the External Accounting Auditors from the management execution division, and, among other activities, communicates with the External Accounting Auditors, visits locations to check on audits and evaluates whether or not the External Accounting Auditors are maintaining audit quality and auditing appropriately.

In line with the items of the evaluation criteria table determined by the Audit & Supervisory Committee, the result of the evaluation is checked by the full-time Directors who are Audit & Supervisory Committee Members, and evaluated by the Audit & Supervisory Committee.

- (ii) Through the exchange of opinions with the External Accounting Auditors and via the report for audit implementation status from the External Accounting Auditors, the Company's Audit & Supervisory Committee verifies whether the External Accounting Auditors possess the independence and the expertise.

Supplementary Principles

3.2.2 The board and the Audit & Supervisory Board should, at minimum, ensure the following:

- i) Give adequate time to ensure high quality audits;
- ii) Ensure that external auditors have access, such as via interviews, to the senior management including the CEO and the CFO;
- iii) Ensure adequate coordination between external auditors and each of the Audit & Supervisory Board members (including attendance at the Audit & Supervisory Board meetings), the internal audit department and outside directors; and
- iv) Ensure that the company is constituted in the way that it can adequately respond to any misconduct, inadequacies or concerns identified by the external auditors.

- (i) The Company emphasizes securing the accuracy of information, and strives to give adequate time to External Accounting Auditors to allow them to carry out high quality audits.
- (ii) Based on requests from External Accounting Auditors, the Company provides time for External Accounting Auditors to interview the management team, including the Representative Director, the CFO, and other Directors.
- (iii) The Company recognizes that coordination between External Accounting Auditors and internal related bodies and related sections, including coordination with audits, is necessary to discover problems early and to ensure appropriate audits. From this standpoint, the Company ensures adequate coordination between External Accounting Auditors and Directors who are Audit & Supervisory Committee Members, the Internal Auditing Division and Outside Directors.
- (iv) In the event that the External Accounting Auditors discover misconduct and demand an appropriate response, or identify any inadequacies or concerns, based on instructions from the Representative Director, each responsible Director will take the central role in performing a speedy investigation and undertaking corrective measures. In regard to the Audit & Supervisory Committee, the full-time Directors who are Audit & Supervisory Committee Members will take the central role in working with the Internal Auditing Division and other related divisions to perform an investigation and undertake corrective measures, as well as, following a report from the External Accounting Auditors, immediately request a report from the Directors and others. In addition, the Audit & Supervisory Committee, if necessary, requests to establish an Investigation Committee, and strives to ascertain the facts based on the explanation from the Investigation Committee. Furthermore, based on the outcome of the investigation, the Audit & Supervisory Committee monitors and verifies the status of responses by Directors (excluding Audit & Supervisory Committee Members) and the Investigation Committee with

respect to determining the cause, preventing recurrence and other matters.

Section 4: Responsibilities of the Board of Directors

General Principle 4

Given its fiduciary responsibility and accountability to shareholders, in order to promote sustainable corporate growth and the increase of corporate value over the mid- to long-term and enhance earnings power and capital efficiency, the board should appropriately fulfill its roles and responsibilities, including:

- (1) Setting the broad direction of corporate strategy;
- (2) Establishing an environment where appropriate risk-taking by the senior management is supported; and
- (3) Carrying out effective oversight of directors and the management (including executives and so-called executive officers) from an independent and objective standpoint.

Such roles and responsibilities should be equally and appropriately fulfilled regardless of the form of corporate organization – i.e., Company with Audit & Supervisory Board (where a part of these roles and responsibilities are performed by Audit & Supervisory Board members and the Audit & Supervisory Board), Company with Three Committees (Nomination, Audit and Remuneration) or Company with Supervisory Committee.

Following a resolution at the Seventeenth Ordinary General Meeting of Shareholders, which was held in June 2022, the Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. As a result, while working to strengthen the corporate governance system, the Company is working to further enhance its corporate value by carrying out swifter decision-making and business execution through the delegation of partial authority related to business execution to the Full-Time Officers Committee. In addition, to complement the management oversight function, the Company has a basic policy that one-third or more of Directors shall be Outside Directors, and that all of the Outside Directors shall be Independent Outside Directors.

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

To complement the functions of the Board of Directors, the Company has established a Personnel Committee, which is an optional committee comprising a majority of Outside Directors and having an Independent Outside Director as the chair, to ensure the fairness and transparency of management by providing advice related to determination of Director's election and remuneration.

Furthermore, the Company has formed an Independent Directors Committee with the objective of evaluating from an objective standpoint, whether the Board of Directors is functioning appropriately. The Independent Directors Committee is comprised of just five Independent Outside Directors, and its secretariat function is also established

within a third-party specialist organization. This arrangement allows to maintain more effective oversight functions of the Board of Directors.

Principle 4.1 Roles and Responsibilities of the Board of Directors (1)

The board should view the establishment of corporate goals (business principles, etc.) and the setting of strategic direction as one major aspect of its roles and responsibilities. It should engage in constructive discussion with respect to specific business strategies and business plans, and ensure that major operational decisions are based on the company's strategic direction.

Recognizing its fiduciary responsibility to sustainably increase the Company's corporate value, in deciding basic policies such as business strategies and the Mid-term Plan, the Company's Board of Directors engages in constructive discussion through free and open exchange of opinions which includes Outside Directors.

The Group's business domain is grouped into four Segments: the Entertainment Unit (Digital Business), the Entertainment Unit (Toys and Hobby Business), the IP Production Unit, and the Amusement Unit. Once a quarter, at the Group Business Report Meeting, the Presidents and Representative Directors of each of the business management companies present a report on the status of business execution and progress on management issues with respect to the operations they are responsible for, and discussions are held and issues pointed out as needed, thereby ensuring that the status of business is monitored.

Supplementary Principles

4.1.1 The board should clearly specify its own decisions as well as both the scope and content of the matters delegated to the management team, and disclose a brief summary thereof.

The Company is a pure holding company, and the Presidents and Representative Directors of the business management companies concurrently serve in such positions as Directors of the Company. Therefore, Directors are able to deliberate on measures to address issues which overlap among the multiple business domains of Group companies, and quickly ascertain specific problems and address them. Meanwhile, in executing business, significant authority is delegated to business management companies, thus enabling prompt execution of business.

The Company's Board of Directors decides important matters related to the Company and the Group, such as matters stipulated in laws and regulations or in the articles of incorporation, M&A, organizational restructuring, the election of major subsidiaries' Directors and Audit & Supervisory Board Members and the acquisition and disposal of assets with large monetary value. Concerning matters resolved by the Company's Board of Directors and matters delegated the authority as the business execution of subsidiaries, rules for criteria for matters on the Board of

Directors meeting agenda, etc., have been prepared and clarified.

Supplementary Principles

- 4.1.2 Recognizing that a mid-term business plan (*chuuki keiei keikaku*) is a commitment to shareholders, the board and the senior management should do their best to achieve the plan. Should the company fail to deliver on its mid-term plan, the reasons underlying the failure of achievement as well as the company's actions should be fully analyzed, an appropriate explanation should be given to shareholders, and analytic findings should be reflected in a plan for the ensuing years.

The Company formulates a Mid-term Plan spanning a period of three years, and the entire Group works to execute management strategies and business strategies aimed at achieving the Mid-term Plan's targets. The achievements and problems of each Mid-term Plan are used to formulate the following Mid-term Plan, and the plans are explained at the information session of the Financial Results, General Meeting of Shareholders, and other appropriate settings.

Mid-term Plan URL <https://www.bandainamco.co.jp/en/ir/message/midtermplan.html>

Supplementary Principles

- 4.1.3 Based on the company objectives (business principles, etc.) and specific business strategies, the board should proactively engage in the establishment and implementation of a succession plan for the CEO and other top executives and appropriately oversee the systematic development of succession candidates, deploying sufficient time and resources.

The Company has set the term for Directors (excluding Audit & Supervisory Committee Members) at one year, and every year the Company undertakes a review to ensure an optimal management framework. The Company has also established internal rules with respect to retirement age for Directors, and in addition to building a framework promoting a cycle of management authority, the Company has its own program to systematically develop future senior management candidates. Reports about program progress and plans are periodically made to the Board of Directors, and following discussions by the Board of Directors, evaluations and improvement initiatives are implemented.

In regard to the nomination of the next Representative Director and new Directors, candidates are evaluated by the Personnel Committee, which is an advisory body to the Board of Directors. The Personnel Committee is an optional committee that comprises a majority of Independent Outside Directors and is chaired by an Independent Outside Director. In this way, the Company has established a system for nominating successors that is highly transparent and fair.

Principle 4.2 Roles and Responsibilities of the Board of Directors (2)

The board should view the establishment of an environment that supports appropriate risk-taking by the senior management as a major aspect of its roles and responsibilities. It should welcome proposals from the management based on healthy entrepreneurship, fully examine such proposals from an independent and objective standpoint with the aim of securing accountability, and support timely and decisive decision-making by the senior management when approved plans are implemented.

Also, the remuneration of the management should include incentives such that it reflects mid- to long-term business results and potential risks, as well as promotes healthy entrepreneurship.

The Company recognizes that the activity of making proposals carried out by the management team, which is responsible for the execution of business, is essential to ensure the Company's vitalization and continuous growth. Proposals to the Board of Directors and individual Directors are accepted at any time without restrictions on method or form.

The remuneration system for Directors of the Company (excluding Audit & Supervisory Committee Members and Outside Directors), 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 mid- to 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 value with the Company's 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 the Company's Directors who are Audit & Supervisory Committee Members and the Company's Outside Directors solely comprises the base remuneration in light of their duties. The amount of remuneration for a Director who is an Audit & Supervisory Committee Member is determined through discussions among Directors who are Audit & Supervisory Committee Members, and the amount of remuneration for an Outside Director (who is not an Audit & Supervisory Committee Member) is determined by the Board of Directors.

Supplementary Principle

- 4.2.1 The board should design management remuneration systems such that they operate as a healthy incentive to generate sustainable growth, and determine actual remuneration amounts appropriately through objective and transparent procedures. The proportion of management remuneration linked to mid- to long-term results and the balance of cash and stock should be set appropriately.

To ensure that remuneration functions as an incentive for its senior management team, the Company has established a decision-making policy regarding the details of remuneration, etc., for individual Directors, which is described in "Principle 3.1 Full Disclosure (iii)."

Supplementary Principles

- 4.2.2 The board should develop a basic policy for the company's sustainability initiatives from the perspective of increasing corporate value over the mid- to long- term.

In addition, in light of the importance of investments in human capital and intellectual properties, the board should effectively supervise the allocation of management resources, including such investments, and the implementation of business portfolio strategies to ensure that they contribute to the sustainable growth of the company.

In order to fulfill its responsibility as a member of society in realizing a sustainable society, the Company has formulated the "Bandai Namco Group Sustainability Policy," which has been decided on by the Board of Directors. Specifically, under the IP Axis Strategy, the Company will work with fans to promote sustainability activities corresponding to social issues that should be addressed by the Group, such as environmental issues.

The Company has stipulated internal regulations aimed at improving the efficacy of activities and their supervision, and has organized and clarified a governance structure for sustainability. Specifically, the Group Sustainability Committee has been established as a committee directly under the Board of Directors. The Group Sustainability Committee is chaired by the President and Representative Director of the Company and comprises full-time Directors of the Company and Presidents of business management companies. The Group Sustainability Committee sets and promotes the sustainability-related policies and strategic targets for the Company and the Group. Furthermore, the Group Sustainability Subcommittee has been established as a subordinate organization under the Group Sustainability Committee. The Subcommittee, which is made up of people in charge of the Group's main companies, formulates and implements specific implementation plans for achieving the strategic targets set by the Group Sustainability Committee. Furthermore, within the Company, a director in charge of Sustainability (Chief

Sustainability Officer) is appointed, and the Sustainability Management Department, which has responsibility for Groupwide sustainability activities, has been established. In these ways, the Group is working to advance sustainability-related activities. Reports about activities that have been implemented and future policies are periodically made to the Board of Directors, and discussion and supervision are carried out by the Board of Directors.

Furthermore, the Company is developing a business model around the intellectual property (IP), such as characters, axis. Its protection of IP and activities are one of the most important factors for the Group's sustainable growth and increase in corporate value, and the Company recognizes that the appointment and training of appropriate human resources to execute these are essential. Furthermore, the Company discloses information about its investment, measures, and appointment and training of human resources for the protection and utilization of IP through the Company website, the integrated report, and other means.

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

Integrated report URL <https://www.bandainamco.co.jp/en/ir/library/integratedreports.html>

Principle 4.3 Roles and Responsibilities of the Board of Directors (3)

The board should view the effective oversight of the management and directors from an independent and objective standpoint as a major aspect of its roles and responsibilities. It should appropriately evaluate company performance and reflect the evaluation in its assessment of the senior management.

In addition, the board should engage in oversight activities in order to ensure timely and accurate information disclosure, and should establish appropriate internal control and risk management systems.

Also, the board should appropriately deal with any conflict of interests that may arise between the company and its related parties, including the management and controlling shareholders.

From the standpoint of seeking appropriate involvement and advice of Independent Outside Directors, the Company has established a Personnel Committee, which is an optional committee comprising a majority of Outside Directors and having an Independent Outside Director as the chair, thereby ensuring fair and highly transparent Director evaluations.

The Company has also established a section within the Corporate Planning Division that is in charge of ensuring that corporate information is disclosed appropriately and in a timely manner. Important corporate information is reported to the Board of Directors periodically following confirmation by the Director in charge of IR. Furthermore, in order to ensure the accuracy and precision of corporate information, the Company has constructed a framework for reporting from the Company and each Group company.

The Company provides a system for events when the Company engages in a transaction with its related parties to enable it to request the opinions of Outside Directors and Directors who are Audit & Supervisory Committee Members, and have the Board of Directors engage in deliberations, upon which approval for the transaction may be obtained. In addition, as needed, the Board of Directors demands reports on the status of such transactions which involve

conflicts of interest.

Supplementary Principles

- 4.3.1 The board should ensure that the appointment and dismissal of the senior management are based on highly transparent and fair procedures via an appropriate evaluation of the company's business results.

From the standpoint of seeking appropriate involvement and advice of Independent Directors, the Company has established a Personnel Committee, which is an optional committee comprising a majority of Outside Directors and having an Independent Outside Director as the chair, and ensures that the election and dismissal of Directors are based on highly transparent and fair procedures such as the holding of individual interviews by the Personnel Committee when electing Director candidates.

Supplementary Principles

- 4.3.2 Because the appointment/dismissal of the CEO is the most important strategic decision for a company, the board should appoint a qualified CEO through objective, timely, and transparent procedures, deploying sufficient time and resources.

Decisions regarding the appointment/dismissal of the Representative Director shall be made by the Company's Board of Directors following consultation with the Personnel Committee, which is an optional committee comprising a majority of Outside Directors and having an Independent Outside Director as the chair, with consideration for personnel requisites, experience, personality, etc.

Supplementary Principles

- 4.3.3 The board should establish objective, timely, and transparent procedures such that a CEO is dismissed when it is determined, via an appropriate evaluation of the company's business results, that the CEO is not adequately fulfilling the CEO's responsibilities.

The Company has set the term for Directors (excluding Audit & Supervisory Committee Members), including the Representative Director, at one year, and every year the Company undertakes a review to ensure an optimal personnel system. Decisions regarding the appointment/dismissal of Directors, including the Representative Director,

are made by the Company's Board of Directors following consultation with the Personnel Committee, which is an optional committee comprising a majority of Outside Directors and having an Independent Outside Director as the chair.

Supplementary Principles

- 4.3.4 The establishment of effective internal control and proactive enterprise risk management systems has the potential to ensure appropriate compliance and support sound risk-taking. The board should appropriately establish such systems on an enterprise basis and oversee the operational status, besides utilizing the internal audit department.

The Company recognizes the appropriate establishment of internal control and risk management systems is essential for ensuring compliance and conducting sound risk-taking.

Based on this thinking, to ensure cooperation with Directors who are Audit & Supervisory Committee Members and Directors (excluding Audit & Supervisory Committee Members), the Company has adopted internal regulations stipulating that the Internal Auditing Division shall make regular reports to the Board of Directors and the Audit & Supervisory Committee, and this is carried out. In this way, the Company has established a framework in which problems related to business execution are ascertained and improvement measures are promptly planned. Furthermore, as a whistleblowing system, the Company has also established an internal consultation service, an external consultation service provided by external legal advisors, and a hotline (e-mail, etc.) for employees to use to report directly to Directors who are Audit & Supervisory Committee Members or to Audit & Supervisory Board Members of subsidiaries.

In addition, when compliance violations or risk events occur, the company involved responds rapidly, and when serious compliance violations or risk events occur that require a Group-level response, the Group Risk Compliance Committee, chaired by the Representative Director and President is convened immediately to effect a rapid and accurate response. Furthermore, compliance- and risk-related information and responses for the Company and its subsidiaries are reported at the Company's monthly Board of Directors meeting by the secretariat of the Group Risk Compliance Committee.

Principle 4.4 Roles and Responsibilities of Audit & Supervisory Board members and the Audit & Supervisory Board

Audit & Supervisory Board members and the Audit & Supervisory Board should bear in mind their fiduciary responsibilities to shareholders and make decisions from an independent and objective standpoint when executing their roles and responsibilities including the audit of the performance of directors' duties, appointment and dismissal of Audit & Supervisory Board members and external auditors, and the determination of auditor remuneration.

Although so-called "defensive functions," such as business and accounting audits, are part of the roles and responsibilities expected of Audit & Supervisory Board members and the Audit & Supervisory Board, in order to fully perform their duties, it would not be appropriate for Audit & Supervisory Board members and the Audit & Supervisory Board to interpret the scope of their function too narrowly, and they should positively and proactively exercise their rights and express their views at board meetings and to the management.

The Company's Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee have clarified the roles and responsibilities of Directors who are Audit & Supervisory Committee Members and the readiness required to fulfill these roles and responsibilities and have also established guidelines detailing the audit framework in order to perform such duties and the standards and actions involved in audits, thereby ensuring that appropriate decisions are made from an independent and objective standpoint.

In addition, the Audit & Supervisory Committee Members and the Audit & Supervisory Committee ensure transparent and fair decision-making by the Company through their work to establish a high quality corporate governance system. They should not interpret their defensive function too narrowly, and should positively and proactively express their views to the Board of Directors, to Directors (excluding Audit & Supervisory Committee Members), and/or to employees.

Supplementary Principle

- 4.4.1 Given that not less than half of the Audit & Supervisory Board must be composed of outside Audit & Supervisory Board members and that at least one full-time Audit & Supervisory Board members must be appointed in accordance with the Companies Act, the Audit & Supervisory Board should, from the perspective of fully executing its roles and responsibilities, increase its effectiveness through an organizational combination of the independence of the former and the information gathering power of the latter. In addition, Audit & Supervisory Board members or the Audit & Supervisory Board should secure cooperation with outside directors so that such directors can strengthen their capacity to

The Audit & Supervisory Committee will have one or more full-time members. Given their characteristics as full-time members, these members proactively strive to create the auditing environment and gather internal information, as well as monitor and verify the status of the structure and operation of internal control system on a daily basis. Given factors such as their independence and the reasons that they were elected, the non-full-time Audit & Supervisory Committee Members who are Outside Directors recognize that they are expected in particular to objectively perform audits and express their views from a neutral position, and frankly ask questions and state their opinions to the Representative Director and the Board of Directors.

The Audit & Supervisory Committee should consider matters related to information exchange and cooperation with Outside Directors (excluding Audit & Supervisory Committee Members), and strive to ensure the effectiveness of audits.

Principle 4.5 Fiduciary Responsibilities of Directors and Audit & Supervisory Board Members

With due attention to their fiduciary responsibilities to shareholders, the directors, Audit & Supervisory Board members and the management of companies should secure the appropriate cooperation with stakeholders and act in the interest of the company and the common interests of its shareholders.

Directors of the Company recognize their fiduciary responsibility to sustainably raise corporate value. Furthermore, Directors who are Audit & Supervisory Committee Members recognize their fiduciary responsibility to ensure management soundness targeting a sustainable increase in corporate value. As a result, Directors act to fulfill their roles.

Principle 4.6 Business Execution and Oversight of the Management

In order to ensure effective, independent, and objective oversight of the management by the board, companies should consider utilizing Directors who are neither involved in business execution nor have close ties with the management.

By having the Presidents and Representative Directors of business management companies concurrently serve in such positions as Directors of the Company, Directors are able to deliberate on measures to address issues which overlap among the multiple business domains of Group companies, and quickly ascertain specific issues and problems and address them. Also, in executing business, significant authority is delegated to business management companies, which allows for the prompt execution of business. Moreover, the Company has a basic policy that at least one-third of Directors should be Outside Directors and all of the Outside Directors should be independent

Outside Directors. All of the Outside Directors have a high degree of independence, and there is no risk of any conflicts of interest with general shareholders. All of the Outside Directors express their views from an independent and proactive standpoint, thereby ensuring a highly efficient oversight framework.

Principle 4.7 Roles and Responsibilities of Independent Directors

Companies should make effective use of independent directors, taking into consideration the expectations listed below with respect to their roles and responsibilities:

- i) Provision of advice on business policies and business improvement based on their knowledge and experience with the aim to promote sustainable corporate growth and increase corporate value over the mid- to long-term;
- ii) Monitoring of the management through important decision-making at the board including the appointment and dismissal of the senior management;
- iii) Monitoring of conflicts of interest between the company and the management or controlling shareholders; and
- iv) Appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders.

The Company's five Independent Outside Directors include a manager who has had a long career in company management, an attorney-at-law with deep knowledge about compliance and internal control, certified public accountants and certified public tax accountants who are experts in accounting and tax affairs. Each of these Independent Outside Directors express their objective views based on their respective knowledge and experience, thereby assuming responsibility for the management oversight function.

As members of the Personnel Committee, which is an optional committee comprising a majority of Outside Directors and having an Independent Outside Director as the chair, the three Independent Outside Directors ensure highly transparent and fair procedures for electing and dismissing Directors, including offering their opinions about matters such as the evaluation and election of Directors to the Board of Directors.

Principle 4.8 Effective Use of Independent Directors

Independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors (two directors if listed on other markets) that sufficiently have such qualities.

Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors (at least one-third of directors if listed on other markets) as independent directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of independent directors.

In order to allow Independent Outside Directors to fulfill their roles and responsibilities with the aim of contributing to the Company's sustainable growth and mid- to long-term increase in corporate value, at the Company's 18th Annual General Meeting of Shareholders, held in June 2023, five of the 14 Directors elected were Independent Outside Directors, corresponding to more than one third. Going forward, the Company will continually consider an appropriate framework according to changes of the environment surrounding the Company and the status of the Group and other factors.

Supplementary Principles

4.8.1 In order to actively contribute to discussions at the board, independent directors should endeavor to exchange information and develop a shared awareness among themselves from an independent and objective standpoint. Regular meetings consisting solely of independent directors (executive sessions) would be one way of achieving this.

In order for Outside Directors to exchange information and develop a shared awareness among themselves from an objective standpoint, the Company has established the Independent Directors Committee comprising only Independent Outside Directors, as well as opportunities for training, etc.

Supplementary Principles

4.8.2 Independent directors should endeavor to establish a framework for communicating with the management and for cooperating with Audit & Supervisory Board members or the Audit & Supervisory Board by, for example, appointing the lead independent director from among

The Independent Directors Committee comprising Independent Outside Directors, appoints a lead Independent Outside Director in order to reinforce the framework for communicating with the management team and for cooperating with Directors who are Audit & Supervisory Committee Members.

Supplementary Principles

4.8.3 Companies that have a controlling shareholder should either appoint at least one third of their directors (the majority of directors if listed on the Prime Market) as independent directors who are independent of the controlling shareholder or establish a special committee composed of independent persons including independent director(s) to deliberate and review material transactions or actions that conflict with the interests of the controlling shareholder and minority shareholders.

The Company does not have a controlling shareholder; however, in order to allow Independent Outside Directors to fulfill their roles and responsibilities with the aim of contributing to the Company's sustainable growth and mid- to long-term increase in corporate value, the Company's basic policy is that one-third or more of Directors will be Outside Directors, and that all Outside Directors will be Independent Outside Directors. Going forward, the Company will continually consider an appropriate framework according to changes of the environment surrounding the Company and the status of the Group and other factors.

Principle 4.9 Independence Standards and Qualification for Independent Directors

Boards should establish and disclose independence standards aimed at securing effective independence of independent directors, taking into consideration the independence criteria set by securities exchanges. The board should endeavor to select independent director candidates who are expected to contribute to frank, active and constructive discussions at board meetings.

The Company has established the Standards for Independence of Outside Directors in order for them to fulfill their roles and responsibilities with the aim of contributing to the Company's sustainable growth and mid- to long-term

increase in corporate value. The standards are disclosed in the Notice of the General Meeting of Shareholders, the annual security report, the corporate governance report, and other disclosure materials. The Company has elected Independent Outside Directors who satisfy the standards stipulated by the Companies Act and Tokyo Stock Exchange, as well as the Company's independence standards, and who possess a high level of independence and present no risk for conflicts of interest with general shareholders.

Standards for Independence of Outside Directors URL

<https://www.bandainamco.co.jp/en/sustainability/governance/pdf/independence.pdf>

Principle 4.10 Use of Optional Approach

In adopting the most appropriate organizational structure (as stipulated by the Companies Act) that is suitable for a company's specific characteristics, companies should employ optional approaches, as necessary, to further enhance governance functions.

The Company is a Company with an Audit & Supervisory Committee. In order to have Independent Outside Directors provide appropriate advice and be involved in matters such as the remuneration policy, remuneration framework and structure for performance-based remuneration for Directors (excluding Audit & Supervisory Committee Members and Independent Outside Directors), as well as the evaluation and selection of Directors, the Company has voluntarily established a Personnel Committee, which is an optional committee comprising a majority of Outside Directors and having an Independent Outside Director as the chair, and the Company enhances the governance bodies which restrain arbitrary decision-making by the Representative Director concerning Director election, remuneration and other issues.

Moreover, the Company aims to improve the functioning of the Board of Directors by analyzing and verifying the effectiveness of the Board of Directors and addressing issues. To that end, evaluations of the Board of Directors are periodically implemented by the Independent Directors Committee, comprising only Independent Outside Directors.

Supplementary Principle

4.10.1 If the organizational structure of a company is either Company with Audit & Supervisory Board or Company with Supervisory Committee and independent directors do not compose a majority of the board, in order to strengthen the independence, objectivity and accountability of board functions on the matters of nomination (including succession plan) and remuneration of the senior management and directors, the company should seek appropriate involvement and advice from the committees, including from the perspective of gender and other diversity and skills, in the examination of such important matters as nominations and remuneration by establishing an independent nomination committee and remuneration committee comprised mainly of independent outside directors under the board, to which such committees make significant contributions.

In particular, companies listed on the Prime Market should basically have the majority of the members of each committee be independent directors, and should disclose the mandates and roles of the committees, as

“ . . . ” . . . “ . . . ” . . . “ . . . ” . . . “ . . . ” . . . “ . . . ” . . .

Five of the Company's 14 Directors are Independent Outside Directors, which is less than one-half of the Board of Directors. However, each of the Independent Outside Directors utilizes his/her expertise and experience to express his/her views, and the Company otherwise ensures a framework in order to strengthen the Board of Directors' oversight function and bolster its accountability, and it will continue striving to strengthen the framework going forward.

In addition, as an optional body, the Company has established a Personnel Committee, which is an optional committee comprising a majority of Outside Directors and having an Independent Outside Director as the chair, which allows the Company to seek appropriate involvement and advice of Independent Outside Directors regarding matters such as Director nominations (including succession plan) and remuneration (excluding Directors who are Audit & Supervisory Committee Members), including the perspectives of diversity and skills. Furthermore, the Independent Directors Committee, comprised only of five Independent Outside Directors, evaluates whether or not the Board of Directors is functioning appropriately, and this is referred to in determining the Board of Directors' framework for the following fiscal period. (For further information, please refer to Supplementary Principle 4.11.3.)

Furthermore, the composition, authority, and role, etc., of the Personnel Committee is disclosed in the Notice of Ordinary General Meeting of Shareholders and the integrated report, among others, and the skill matrix is presented in the integrated report.

Financial report URL <https://www.bandainamco.co.jp/ir/library/securities.html>

Integrated report URL <https://www.bandainamco.co.jp/en/ir/library/integratedreports.html>

Notice of Ordinary General Meeting of Shareholders URL

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

Principle 4.11 Preconditions for Board of Directors and Audit & Supervisory Board Effectiveness

The board should be well balanced in knowledge, experience, and skills in order to fulfill its roles and responsibilities, and it should be constituted in a manner to achieve both diversity, including gender and international experience, work experience and age, and appropriate size. In addition, persons with appropriate experience and skills as well as necessary knowledge on finance, accounting, and the law should be appointed as Audit & Supervisory Board members. In particular, at least one person who has sufficient expertise on finance and accounting should be appointed as Audit & Supervisory Board members.

The board should endeavor to improve its function by analyzing and evaluating effectiveness of the Board of Directors as a whole.

The Company's Board of Directors is comprised of Executive Directors who execute agile business operations and have thorough knowledge of the Company's businesses or company operations, etc., as well as Independent Outside Directors who possess advanced expertise and are capable of providing management advice and oversight based on a wide range of viewpoints. The Company also strives to have the Board of Directors with a good balance of knowledge, experience, and skills so that the Board of Directors can effectively fulfill its roles and responsibilities, and it is constituted in such as manner as to achieve both diversity, including gender and international experience, work experience and age, and appropriate size. Accordingly, the Company's Board of Directors has 14 members, including five Independent Outside Directors (one of whom is a woman). Furthermore, two people who have a considerable level of expertise in finance and accounting have been elected as Directors who are Audit & Supervisory Committee Members.

On top of this, the Company has formed an Independent Directors Committee with the objective of evaluating from an objective standpoint, whether the Board of Directors is functioning appropriately. The Independent Directors Committee is comprised of just five Independent Outside Directors, and its secretariat function is also established within a third-party specialist organization. Alongside the Independent Directors Committee's evaluation of the Board of Directors, the Company analyzes the effectiveness of the Board of Directors, and aims to improve its function.

Supplementary Principles

- 4.11.1 The board should identify the skills, etc. that it should have in light of its managing strategies, and have a view on the appropriate balance between knowledge, experience and skills of the board as a whole, and also on diversity and appropriate board size. Consistent with its view, the board should establish policies and procedures for nominating directors and disclose them along with the combination of skills, etc. that each director possesses in an appropriate form according to the business environment and business characteristics, etc., such as what is known as a "skills matrix." When doing so, independent director(s) with management experience in other companies should be included.

The Company's Board of Directors is comprised of Executive Directors who execute agile business operations and have thorough knowledge of the Company's businesses or company operations, etc., as well as Independent Outside Directors who possess advanced expertise and are capable of providing management advice and oversight with a wide range of viewpoints. The Board of Directors is constituted in such a manner as to achieve both diversity and appropriate size.

The selection of Director candidates is based on candidates possessing broad knowledge and experience required for decision-making on company management, as well as possessing the track record and insight in the fields and businesses they have experience in which are required in order to provide management oversight. In addition, the Company has a basic policy that one-third or more of Directors will be Outside Directors and that all of the Outside Directors will 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 knowledge of corporate strategy, lawyers who are experts in compliance and other internal controls, or certified public accountants and certified public tax accountants who are experts in accounting and tax affairs, are considered and a decision is made accordingly.

When selecting candidates for Director of the Company, a Personnel Committee that is an optional committee comprising a majority of Outside Directors and with an Independent Outside Director as the chair 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.

In addition, the Notice of the Ordinary General Meeting of Shareholders and the integrated report, among others, present the policy and procedures regarding the selection of Director candidates, as well as a skill matrix for each Director.

Notice of Ordinary General Meeting of Shareholders URL

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

Integrated report URL <https://www.bandainamco.co.jp/en/ir/library/integratedreports.html>

Supplementary Principles

4.11.2 Outside directors, outside Audit & Supervisory Board members, and other directors and Audit & Supervisory Board members should devote sufficient time and effort required to appropriately fulfill their respective roles and responsibilities. Therefore, where directors and Audit & Supervisory Board members also serve as directors, Audit & Supervisory Board members or the management at other

Three of the Company's five Independent Outside Directors serve concurrently as officers at other listed companies. The Company believes that the number of companies at which these individuals serve concurrently as Directors, Audit & Supervisory Board Members or the management is a reasonable number, and believes that these members are able to appropriately carry out oversight and auditing of the Company.

The status of Independent Outside Directors' important concurrent positions at other companies is disclosed each year in the Notice of the General Meeting of Shareholders, in the annual security report, the corporate governance report and other disclosure materials.

Supplementary Principles

4.11.3 Each year the board should analyze and evaluate its effectiveness as a whole, taking into consideration the relevant matters, including the self-evaluations of each director. A summary of the results should be disclosed.

The Company has formed the Independent Directors Committee with the objective of evaluating from an objective standpoint, whether the Board of Directors is functioning appropriately. The Independent Directors Committee is comprised of just five Independent Outside Directors, and its secretariat function is also established within a third-party specialist organization. This arrangement allows to preserve more effective oversight function in the Board of Directors.

In addition, with the objectives of heightening the effectiveness of the Board of Directors and increasing corporate value, evaluations of the effectiveness of the Board of Directors will be conducted periodically. Specifically, after responses to questionnaires (Note) are obtained from all Directors, the Independent Directors Committee will conduct analysis and verification based on the results and provide their opinions to the Board of Directors. Based on these opinions, the Board of Directors will share the results of the evaluation of present circumstances as well as issues, and will hold constructive discussions regarding future action plans. An overview of the results of the evaluation is disclosed through press releases, and other methods.

(Note) Major items in the evaluation of the Board of Directors

Corporate strategy decision-making and goal setting, potential risk understanding and response, sound decision-making, responses to stakeholders, monitoring of management resources and execution, roles and contributions, and leadership, composition of the Board of Directors, administration of the Board of Directors, Board culture, and free response

Principle 4.12 Active Board of Directors Deliberations

The board should endeavor to foster a climate where free, open, and constructive discussions and exchanges of views take place, including the raising of concerns by outside directors.

At Board of Directors meetings, Independent Outside Directors of the Company actively state their opinions based on factors, including their respective experience and knowledge, and engage in free, open, and constructive discussions, and proactively make improvement proposals, as needed.

Supplementary Principle

- 4.12.1 The board should ensure the following in relation to the operation of board meetings and should attempt to make deliberations active:
- i) Materials for board meetings are distributed sufficiently in advance of the meeting date;
 - ii) In addition to board materials and as necessary, sufficient information is provided to directors by the company (where appropriate, the information should be organized and/or analyzed to promote easy understanding);
 - iii) The schedule of board meetings for the current year and anticipated agenda items are determined in advance;
 - iv) The number of agenda items and the frequency of board meetings are set appropriately; and
 - v) Sufficient time for deliberations.

The Company's Board of Directors has a basic policy of holding ordinary meetings of the Board of Directors once a month in principle, but also holding extraordinary meetings of the Board of Directors as the situation dictates. In order to ensure that all Directors can attend the meetings, the annual schedule of meetings is determined and provided to the Board of Directors Members prior to the start of the fiscal year.

In principle, agenda items and materials for Board of Directors meetings are distributed to Directors via the intranet at least three business days prior to the Board of Directors meeting. However, the Company strives to secure

opportunities for advanced preparations, such as setting up opportunities for direct briefings. Also, Board of Directors meetings are held so as to ensure sufficient time for deliberations.

Principle 4.13 Information Gathering and Support Structure

In order to fulfill their roles and responsibilities, directors and Audit & Supervisory Board members should proactively collect information, and as necessary, request the company to provide them with additional information.

Also, companies should establish a support structure for directors and Audit & Supervisory Board members, including providing sufficient staff.

The board and the Audit & Supervisory Board should verify whether information requested by directors and

The Company has established an environment in which Directors can make requests to the relevant divisions for information necessary to execute their responsibilities, and divisions that are requested to provide information offer such information in a prompt manner.

As a support structure for the Company's Directors, the division that serves as the Board of Directors secretariat plays the central role in providing support. In addition, in regard to Directors who are Audit & Supervisory Committee Members, employees to assist with their responsibilities are provided.

Supplementary Principles

4.13.1 Directors, including outside directors, should request the company to provide them with additional information, where deemed necessary from the perspective of contributing to transparent, fair, timely and decisive decision-making. In addition, Audit & Supervisory Board members, including outside Audit & Supervisory Board members, should collect information appropriately, including the

As needed, the Company's Directors will request that additional information be provided by divisions that have put items on the agenda or by the relevant Directors, and ensure that they obtain information that contributes to prompt and decisive decision-making.

Directors who are Audit & Supervisory Committee Members, in addition to the above, work with the Internal Auditing Division to collect information necessary in order to perform audits and, centered on the full-time Directors who are Audit & Supervisory Committee Members, make requests to the Executive Sections for information.

Supplementary Principles

- 4.13.2 Directors and Audit & Supervisory Board members should consider consulting with external specialists at company expense, where they deem it necessary.

Where they deem it necessary in order to execute their duties, the Company's Directors proactively utilize consultants and other external specialists. In accordance with the Company's internal rules, expenses incurred in conjunction with such activities are paid for by the Company.

Supplementary Principles

- 4.13.3 Companies should ensure coordination between the internal audit department, directors and Audit & Supervisory Board members by establishing a system in which the internal audit department appropriately reports directly to the board and the Audit & Supervisory Board members in order for them to fulfill their functions. In addition, companies should take measures to adequately provide necessary information to outside directors and outside Audit & Supervisory Board members. One example would be the appointment of an individual who is responsible for communicating and handling requests within the company such that the requests for information about the company by outside directors and outside Audit & Supervisory Board members are appropriately processed.

To ensure cooperation with Directors who are Audit & Supervisory Committee Members and Directors (excluding Audit & Supervisory Committee Members), the internal regulations stipulate that the Internal Auditing Division is to make regular reports to the Board of Directors and the Audit & Supervisory Committee, and this is carried out. In this way, the Company has established a framework in which problems related to business execution are ascertained and improvement measures are promptly planned. The Company has not established a division responsible for internal communication and coordination based on instructions from Outside Directors, but each of divisions is able to respond to requests at all times.

Principle 4.14 Director and Audit & Supervisory Board Member Training

New and incumbent directors and Audit & Supervisory Board members should deepen their understanding of their roles and responsibilities as a critical governance body at a company, and should endeavor to acquire and update necessary knowledge and skills. Accordingly, companies should provide and arrange training opportunities suitable to each director and Audit & Supervisory Board members along with financial support for associated expenses. The board should verify whether such opportunities and support are appropriately

The Company's Directors strive to acquire the necessary knowledge and new knowledge according to the current times, as well as improve their abilities, by actively participating in Director training sessions and seminars held by the Company, as well as outside seminars held by organizations to which the Company belongs as a member.

In accordance with the Company's internal rules, expenses incurred in conjunction with attending seminars and inviting outside lecturers, etc., are paid for by the Company.

Supplementary Principles

4.14.1 Directors and Audit & Supervisory Board members, including outside directors and outside Audit & Supervisory Board members, should be given the opportunity when assuming their position to acquire necessary knowledge on the company's business, finances, organization, and other matters, and fully understand the roles and responsibilities, including legal liabilities, expected of them. Incumbent directors should also be given a continuing opportunity to renew and update such

When new Directors assume their positions, the Company provides them with opportunities to actively participate in outside seminars, etc., in order to gain the wide-ranging knowledge for decision-making on company management as well as to obtain the knowledge required to execute business. Even after assuming their positions, the Company invites attorneys-at-law, specialists from various fields, and other outside lecturers to provide training, and otherwise helps the Company's Directors to regularly brush up on their knowledge as needed.

Supplementary Principles

4.14.2 Companies should disclose their training policy for directors and Audit & Supervisory Board members.

The Company has a basic policy of continuously providing the training opportunities needed in order for the Company's Directors to fulfill their roles and responsibilities.

The Company's Directors strive to acquire the necessary knowledge and new knowledge according to the current times, as well as improve their abilities, by actively participating in Director training sessions and seminars held by the Company, as well as outside seminars held by organizations to which the Company belongs as a member. Also, when new Directors assume their positions, the Company provides them with opportunities to actively participate in outside seminars, among other activities, in order to gain the wide-ranging knowledge needed to make company management decisions as well as to obtain the knowledge required to execute business.

Section 5: Dialogue with Shareholders

General Principle 5

In order to contribute to sustainable growth and the increase of corporate value over the mid- to long-term, companies should engage in constructive dialogue with shareholders even outside the general shareholder meetings.

During such dialogue, senior management and directors, including outside directors, should listen to the views of shareholders and pay due attention to their interests and concerns, clearly explain business policies to shareholders in an understandable manner so as to gain their support, and work for developing a balanced understanding of the positions of shareholders and other stakeholders and acting accordingly.

The Company recognizes that in order to contribute to sustainable growth and the increase of corporate value over the mid- to long-term, it is important to seriously listen to the opinions of shareholders through proactive dialogue, and reflect such opinions in the Company's management. To this end, the Company has appointed a Director in charge of IR, has established an IR section, and proactively creates opportunities for dialogue with shareholders.

Principle 5.1 Policy for Constructive Dialogue with Shareholders

Companies should, positively and to the extent reasonable, respond to the requests from shareholders to engage in dialogue (management meetings) so as to support sustainable growth and increase corporate value over the mid- to long-term. The board should establish, approve, and disclose policies concerning the measures and organizational structures aimed at promoting constructive dialogue with shareholders.

In order to promote constructive dialogue with shareholders, the Company has appointed a Director in charge of IR and has established an IR section, and has a basic policy of carrying out the initiatives discussed below.

In promoting constructive dialogue with shareholders, organic cooperation is formed between the internal sections such as those responsible for corporate planning, accounting and finance and legal affairs.

Sessions and other events primarily for institutional investors are held along with the disclosure of operating results each quarter. The Company's Representative Director, the Director in charge of IR, the Presidents and Representative Directors of business management companies and other important executives attend these meetings as needed and provide explanations from a variety of angles.

The Director and the employee who are in charge of IR hold individual meetings with institutional investors after disclosing operating results each quarter, and also hold small conferences or other events as needed in line with the

Company's activities.

Multiple times per year, the Company's Representative Director or Director in charge of IR set up individual meetings with foreign institutional investors. In addition, the Company takes such measures as providing explanations for individual investors of its businesses and business results through dedicated web pages of the Company's website.

The Director in charge of IR provides an overview of such meetings to the Board of Directors as needed. In addition, reports shall periodically be provided to all Directors, including Outside Directors, in regard to the status of quarterly activities, such as investor interview results.

When engaging in dialogue with shareholders, regardless of whether it is an information session of the Financial Results or other type of meeting, the Company strives to carefully manage information in accordance with the "Rules for Preventing Insider Trading and Business Transactions," an internal set of rules aimed at preventing insider trading and business transactions, based on the idea that it is crucial to ensure equality among shareholders in regard to the handling of important facts that have not been publicly announced.

Supplementary Principles

- 5.1.1 Taking the requests and interests of shareholders into consideration, to the extent reasonable, the senior management, directors, including outside directors, and Audit & Supervisory Board members, should have a basic position to engage in dialogue (management meetings) with shareholders.

The Company conducts dialogue with shareholders, led by the Director in charge of IR and the person in charge of IR, and, where it seems reasonable, appropriate members of the management team, such as the Representative Director, Outside Directors, and Directors who are Audit & Supervisory Committee Members, also provide explanations and conduct dialogue based on matters of interest to shareholders.

Supplementary Principles

- 5.1.2 At minimum, policies for promoting constructive dialogue with shareholders should include the following:
- i) Appointing a member of the management or a director who is responsible for overseeing and ensuring that constructive dialogue takes place, including the matters stated in items ii) to v) below;
 - ii) Measures to ensure positive cooperation between internal departments such as investor relations, corporate planning, general affairs, corporate finance, accounting, and legal affairs with the aim of supporting dialogue;
 - iii) Measures to promote opportunities for dialogue aside from individual meetings (e.g., general investor meetings and other IR activities);
 - iv) Measures to appropriately and effectively relay shareholder views and concerns learned through dialogue to the senior management and the board; and
 - v) Measures to control insider information when engaging in dialogue.

In order to promote constructive dialogue with shareholders, the Company has appointed a Director in charge of IR and has established an IR section, and has a basic policy of carrying out the initiatives discussed below.

In promoting constructive dialogue with shareholders, organic cooperation is formed between the internal sections such as those responsible for corporate planning, accounting and finance, and legal affairs.

Sessions and other events primarily for institutional investors are held along with the disclosure of operating results each quarter. The Company's Representative Director, the Director in charge of IR, the Presidents and Representative Directors of business management companies and other important executives attend these meetings as needed and provide explanations from a variety of angles.

The Director and the employee who are in charge of IR hold individual meetings with institutional investors after disclosing operating results each quarter, and also hold small conferences or other events as needed in line with the Company's activities.

Multiple times per year, the Company's Representative Director or Director in charge of IR set up individual meetings with foreign institutional investors. In addition, the Company takes such measures as providing explanations for individual investors of its businesses and business results through dedicated web pages of the Company's website.

The Director in charge of IR provides an overview of such meetings to the Board of Directors as needed.

When engaging in dialogue with shareholders, regardless of whether it is an information session of the Financial Results or other type of meeting, the Company strives to carefully manage information in accordance with the "Rules for Preventing Insider Trading and Business Transactions," an internal set of rules aimed at preventing insider trading and business transactions, based on the idea that it is crucial to ensure equality among shareholders in regard to the

handling of important facts that have not been publicly announced.

Supplementary Principles

- 5.1.3 Companies should endeavor to identify their shareholder ownership structure as necessary, and it is desirable for shareholders to cooperate as much as possible in this process.

Based on the shareholder registry as of the end of March and September each year, the Company uses an outside specialized vendor to identify the substantial shareholders who cannot be ascertained on the shareholder registry, thereby identifying the shareholder ownership structure.

Principle 5.2 Establishing and Disclosing Business Strategies and Business Plan

When establishing and disclosing business strategies and business plans, companies should articulate their earnings plans and capital policies, and present targets for profitability and capital efficiency after accurately identifying the company's cost of capital. Also, companies should provide explanations that are clear and logical to shareholders with respect to the allocation of management resources such as reviewing their business portfolio and investments in fixed assets, R&D, and human capital, and specific measures that will be taken in order to achieve their plans and targets.

The Company strives to promote understanding among shareholders by formulating a Mid-term Plan every three years, and presents in the plan the Company's management and business strategies, as well as numerical targets such as net sales and operating income. Furthermore, the Company indicates targets such as ROE and total return ratio, and provides explanations with respect to the measures that will be taken to achieve these plans and targets, including reviews of the business portfolio and investment plans, at the General Meeting of Shareholders, the information session of the Financial Results and other appropriate occasions.

Supplementary Principles

- 5.2.1 In formulating and announcing business strategies, etc., companies should clearly present the basic policy regarding the business portfolio decided by the board and the status of the review of such portfolio.

The Company reviews its Mid-term Plan, including its business portfolio and investment plans, as necessary based

on the business environment, performance trends, cost of capital, and the status of society and the economy from time to time. It explains the results of these reviews at the General Meeting of Shareholders, the information session of the Financial Results and other appropriate occasions.

Mid-term Plan URL <https://www.bandainamco.co.jp/en/ir/message/midtermplan.html>

END

Established: September 29, 2015

Revised: June 20, 2023