

# Bandai Namco Holdings Inc.

## Notice of the Seventeenth Ordinary General Meeting of Shareholders to be held on June 20, 2022

An English translation of the original notice in Japanese

### DISCLAIMER

The following is an English translation of the Japanese original “Notice of the Seventeenth Ordinary General Meeting of Shareholders of Bandai Namco Holdings Inc.” which meeting is to be held on June 20, 2022.

The Company provides this translation for your reference and convenience only and does not guarantee its accuracy or otherwise. In the event of any discrepancies, the Japanese original notice shall prevail.

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

May 30, 2022

5-37-8 Shiba, Minato-ku, Tokyo  
Bandai Namco Holdings Inc.  
Masaru Kawaguchi  
President and Representative Director  
Group CEO

Dear Shareholders,

NOTICE OF THE SEVENTEENTH ORDINARY GENERAL MEETING  
OF SHAREHOLDERS

We would like to thank all of our shareholders for your continued support. First of all, we would like to express my deepest sympathies to those who have contracted COVID-19 and their families.

In April 2022, the Bandai Namco Group established the Purpose, which we have positioned as the ultimate definition of the Group. The Purpose expresses the meaning of the Group's existence for society. In other words, it expresses what we aim to be. "Connecting and working together to create things" is an especially important element of the Purpose. "Fun for All into the Future" is the result of "connecting" with people around the world and "creating things together," which is linked to "providing fun and inspiration to people around the world and striving to create smiles and happiness into the future."

In addition to promoting its business, the Bandai Namco Group will also contribute to the creation of a sustainable society by promoting sustainable activities that address social issues that the Group should face together with its fans based on its IP axis strategy.

We would like to ask all of our shareholders for their continued support going forward.

**Meeting Details**

- 1. Date and Time:** June 20, 2022 (Monday) at 10:00 a.m. (Japan Time)
- 2. Place:** "Hiten," Grand Prince Hotel New Takanawa  
3-13-1 Takanawa, Minato-ku, Tokyo
- 3. Purpose of the Meeting:**

**Matters to be Reported:**

1. Report on the Contents of the Business Reports, the Consolidated Financial Statements, and the Results of the Auditing of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the Seventeenth Fiscal Year (from April 1, 2021 to March 31, 2022)
2. Report on the Contents of the Non-Consolidated Financial Statements for the Seventeenth Fiscal Year (from April 1, 2021 to March 31, 2022)

**Matters to be Resolved:**

- Proposal No. 1:** Appropriation of Surplus  
**Proposal No. 2:** Partial Amendments to the Articles of Incorporation  
**Proposal No. 3:** Election of Ten Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)  
**Proposal No. 4:** Election of Four Directors Who Are Audit & Supervisory Committee Members  
**Proposal No. 5:** Determination of Remuneration Limit for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)  
**Proposal No. 6:** Determination of Remuneration Limit for Directors Who Are Audit & Supervisory Committee Members  
**Proposal No. 7:** Determination of Performance-based Stock Compensation Plan for Directors

(Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

If revisions to the contents of the “Reference Documents for the General Meeting of Shareholders,” the “Business Reports,” the “Consolidated Financial Statements” and the “Non-Consolidated Financial Statements” are required, the Company shall publish a notification on the Company website at the following URL:  
(<https://www.bandainamco.co.jp/ir/stock/meeting.html>)

### **[Information on Exercise of Voting Rights]**

Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders on pages 5 to 43.

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

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

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

Deadline for voting:

To be received no later than 5:30 p.m., Saturday, June 18, 2022 (Japan Time).

#### **How to exercise your voting rights via the Internet:**

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

Deadline for voting:

All data entry to be completed no later than 5:30 p.m., Saturday, June 18, 2022 (Japan Time).

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

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

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

Date and time of the General Meeting of Shareholders:

June 20, 2022 (Monday) at 10:00 a.m. (Japan Time)

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

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

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

#### **<Note on holding of the General Meeting of Shareholders>**

The General Meeting of Shareholders may be subject to administrative changes that may include discontinuing the system for pre-registering to attend the meeting in person (via a lottery system) due to circumstances such as developments involving COVID-19 or government announcements or guidelines up to the date of the General Meeting of Shareholders. We ask that you check the Company website for updates in regard thereto.

The Company's website:

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

## [Information on Exercise of Voting Rights via the Internet]

### By scanning the QR Code

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

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

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

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

### By entering your Login ID and Temporary Password

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

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

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

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

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

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

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

#### Proposal No. 1: Appropriation of Surplus

Appropriation of surplus is as follows:

#### Fiscal year-end dividends

The Company ranks the return of profits to shareholders as one of its highest priorities in its management. The Company aims to further strengthen the competitiveness of the Bandai Namco Group (the "Group") and, while maintaining a sound financial status, to achieve regular distributions of dividends and improvement in the Company's corporate value. Specifically, the Company follows a basic policy of providing a return to shareholders that targets a total return ratio of 50% or more based on stable dividend payments of 2% of DOE (dividends on equity). Under this policy, the Company strives to maintain long-term and stable dividends and be more aware of capital cost.

In view of the Company's performance in this fiscal year, the Company will pay a year-end dividend of ¥188 per share, which consists of a base dividend of ¥24 per share and a performance-based dividend of ¥164 per share.

Since the Company paid an interim dividend of ¥24 per share on December 7, 2021, the total annual dividend for the fiscal year will be ¥212 per share.

1. Type of dividend assets:  
Cash
2. Allocation of dividend assets to be paid to shareholders and total amount of dividend:  
Dividend per share of common stock of the Company ..... ¥188  
Total amount of dividends ..... ¥41,368,276,512
3. Effective date of distribution of surplus (dividend):  
June 21, 2022

## **Proposal No. 2: Partial Amendments to the Articles of Incorporation**

The Company seeks to amend its Articles of Incorporation as provided for in the “Proposed Amendments” below.

### 1. Reason for the amendments

#### (a) Transition to a company with an audit & supervisory committee

The Company will transition to a company with an audit & supervisory committee in order to strengthen its corporate governance system and further enhance its corporate value through speedy decision-making and execution of business. The Company will strengthen the audit and supervisory functions of the Board of Directors by establishing an Audit & Supervisory Committee with a majority of members consisting of Outside Directors and granting the right to vote at meetings of the Board of Directors to Directors who are Audit & Supervisory Committee Members.

Accordingly, the Company will make the necessary amendments, including the establishment of new provisions regarding the Audit & Supervisory Committee and Directors who are Audit & Supervisory Committee Members, the deletion of provisions regarding the Audit & Supervisory Board and Audit & Supervisory Board Members, and the establishment of new provisions regarding the delegation of authority to Directors, etc.

#### (b) Introduction of measures for providing reference documents for the general meeting of shareholders, etc. in electronic format

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 16, paragraph 1 of the “Proposed Amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (2) Article 16, paragraph 2 of the “Proposed Amendments” below will establish provisions to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for internet disclosure and deemed provision of reference documents for the general meeting of shareholders, etc. (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

#### (c) The Company will make partial revisions to wording and expressions and any other necessary amendments, such as renumbering of articles, accompanying the addition and deletion of articles.

The amendments to the Articles of Incorporation pertaining to this proposal will be effective at the conclusion of this Ordinary General Meeting of Shareholders. The amendments to the Articles of Incorporation accompanying the introduction of measures for providing reference documents for the general meeting of shareholders, etc. in electronic format in 1.(b) above will be effective pursuant to the supplementary provisions regarding the effective date, etc.

## 2. Detail of the amendments

The details of the amendments are as follows:

(Amendments shown by underlines.)

Current Articles	Proposed Amendments
Chapter I General Provisions (Trade Name) Article 1 (Text omitted) 2. In English, the trade name shall be <u>BANDAI NAMCO Holdings Inc.</u>	Chapter I General Provisions (Trade Name) Article 1 (Unchanged) 2. In English, the trade name shall be <u>Bandai Namco Holdings Inc.</u>
Articles 2 – 4 (Text omitted)	Articles 2 – 4 (Unchanged)
Chapter II Shares Articles 5 – 11 (Text omitted)	Chapter II Shares Articles 5 – 11 (Unchanged)
Chapter III General Meeting of Shareholders Articles 12 – 15 (Text omitted)	Chapter III General Meeting of Shareholders Articles 12 – 15 (Unchanged)
<u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u> Article 16 <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u>  (New)	(Deleted)  <u>(Measures, etc. for Providing Information in Electronic Format)</u> Article 16 1. <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> 2. <u>Of the items for which measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date for voting rights.</u>
Articles 17 – 18 (Text omitted)	Articles 17 – 18 (Unchanged)
Chapter IV Directors and Board of Directors Meetings Article 19 (Text omitted)	Chapter IV Directors and Board of Directors Meetings Article 19 (Unchanged)
(Number of Directors) Article 20 The Company shall have not more than <u>12</u> Directors, <u>at least two of whom shall be outside Directors as defined in Article 2, item (xv) of the Companies Act (hereinafter referred to as "Outside Directors").</u>  (New)	(Number of Directors) Article 20 1. The Company shall have not more than <u>10</u> Directors <u>(excluding Directors who are Audit &amp; Supervisory Committee Members).</u> 2. <u>The Company shall have not more than five Directors who are Audit &amp; Supervisory Committee Members (hereinafter referred to as "Audit &amp; Supervisory Committee Members").</u>



Current Articles	Proposed Amendments
<p>(Election of Directors)</p> <p>Article 21</p> <ol style="list-style-type: none"> <li>1. Directors shall be elected by resolution of a general meeting of shareholders.</li> <li>2. (Text omitted)</li> <li>3. (Text omitted)</li> </ol>	<p>(Election of Directors)</p> <p>Article 21</p> <ol style="list-style-type: none"> <li>1. Directors shall be elected by resolution of a general meeting of shareholders, <u>distinguishing between Audit &amp; Supervisory Committee Members and other directors.</u></li> <li>2. (Unchanged)</li> <li>3. (Unchanged)</li> </ol>
<p>(Term of Office of Directors)</p> <p>Article 22</p> <p>The term of office of a Director shall expire at the conclusion of the ordinary general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p> <p style="text-align: right;">(New)</p> <p style="text-align: right;">(New)</p> <p style="text-align: right;">(New)</p>	<p>(Term of Office of Directors)</p> <p>Article 22</p> <ol style="list-style-type: none"> <li><u>1. (Unchanged)</u></li> <li>2. <u>Notwithstanding the provisions of the preceding paragraph, the term of office of an Audit &amp; Supervisory Committee Member shall expire at the conclusion of the ordinary general meeting of shareholders for the last business year to end within two years after the election of the Audit &amp; Supervisory Committee Member.</u></li> <li>3. <u>The term of office of an Audit &amp; Supervisory Committee Member who is elected as the substitute for an Audit &amp; Supervisory Committee Member who retired from office before the expiration of his or her term of office shall continue until the time the term of office of the Audit &amp; Supervisory Committee Member who retired from office is to expire.</u></li> <li>4. <u>The effective term of the resolution for the election of a substitute Audit &amp; Supervisory Committee Member elected in accordance with Article 329, Paragraph 3 of the Companies Act shall expire at the beginning of the ordinary general meeting of shareholders for the last business year to end within two years after the election of the substitute Audit &amp; Supervisory Committee Member, unless shortened by the said resolution.</u></li> </ol>
<p>(Representative Directors)</p> <p>Article 23</p> <p>The Board of Directors shall appoint Representative Director(s) from among the Directors by its resolution.</p>	<p>(Representative Directors)</p> <p>Article 23</p> <p>The Board of Directors shall appoint Representative Director(s) from among the Directors (<u>excluding Directors who are Audit &amp; Supervisory Committee Members</u>) by its resolution.</p>
<p>(Directors With Special Titles)</p> <p>Article 24</p> <p>The Board of Directors shall appoint one Director and President by its resolution. In addition, when necessary, the Board of Directors may appoint by its resolution one Director and Chairman and a small number of Director and Vice Chairmen, Director and Vice Presidents, Senior Managing Directors, and Managing Directors.</p>	<p>(Directors With Special Titles)</p> <p>Article 24</p> <p>The Board of Directors shall appoint one Director and President <u>from among the Directors (excluding Directors who are Audit &amp; Supervisory Committee Members)</u> by its resolution. In addition, when necessary, the Board of Directors may appoint by its resolution one Director and Chairman and a small number of Director and Vice Chairmen, Director and Vice Presidents, Senior Managing Directors, and Managing Directors <u>from among the Directors (excluding Directors who are Audit &amp; Supervisory Committee Members).</u></p>

Current Articles	Proposed Amendments
<p>(Convener and Chairperson of Board of Directors Meetings)</p> <p>Article 25</p> <ol style="list-style-type: none"> <li>1. <u>Representative Directors</u> shall convene and chair Board of Directors meetings, except where otherwise specified by applicable laws and regulations.</li> <li>2. <u>Where there are multiple Representative Directors, the Representative Director with seniority following the order predetermined by the Board of Directors shall convene and chair Board of Directors meetings. When Representative Directors are unable to do so, another Director, following the order predetermined by the Board of Directors, shall perform that duty.</u></li> </ol>	<p>(Convener and Chairperson of Board of Directors Meetings)</p> <p>Article 25</p> <ol style="list-style-type: none"> <li>1. <u>Directors predetermined by the Board of Directors</u> shall convene and chair Board of Directors meetings, except where otherwise specified by applicable laws and regulations.</li> <li>2. When a Director who convenes and chairs the Board of Directors meetings is unable to do so, another Director, following the order predetermined by the Board of Directors, shall perform the duties in their place.</li> </ol>
<p>(Notice of Meeting of the Board of Directors)</p> <p>Article 26</p> <ol style="list-style-type: none"> <li>1. When convening a Board of Directors meeting, a notice shall be dispatched to each Director <u>and each Audit &amp; Supervisory Board Member</u> at least three days before the day of the meeting; provided, however, that this period may be reduced in case of emergency.</li> <li>2. With the consent of all Directors <u>and Audit &amp; Supervisory Board Members</u>, a Board of Directors meeting may be held without following the convening procedures.</li> </ol>	<p>(Notice of Meeting of the Board of Directors)</p> <p>Article 26</p> <ol style="list-style-type: none"> <li>1. When convening a Board of Directors meeting, a notice shall be dispatched to each Director at least three days before the day of the meeting; provided, however, that this period may be reduced in case of emergency.</li> <li>2. With the consent of all Directors, a Board of Directors meeting may be held without following the convening procedures.</li> </ol>
<p>Article 27 (Text omitted)</p>	<p>Article 27 (Unchanged)</p>
<p>(Omission of Resolutions of the Board of Directors)</p> <p>Article 28</p> <p>When all Directors agree in writing or by means of electronic records to a proposal to be resolved by the Board of Directors, the Company shall deem that the Board of Directors has passed a resolution to adopt the proposal to be resolved; <u>provided, however, that this shall not apply to cases where any Audit &amp; Supervisory Board Member expresses an objection.</u></p> <p>(New)</p>	<p>(Omission of Resolutions of the Board of Directors)</p> <p>Article 28</p> <p>When all Directors agree in writing or by means of electronic records to a proposal to be resolved by the Board of Directors, the Company shall deem that the Board of Directors has passed a resolution to adopt the proposal to be resolved.</p> <p><u>(Delegation of Decisions regarding Execution of Operations to Directors)</u></p> <p>Article 29</p> <p><u>Pursuant to the provisions of Article 399-13, paragraph (6) of the Companies Act, the Board of Directors may delegate all or part of decision-making on the execution of important operations (excluding matters stipulated in each item of paragraph (5) of the same article) to Directors by its resolution.</u></p>
<p>(Minutes of the Board of Directors Meetings)</p> <p>Article 29</p> <p>A summary of proceedings at the Board of Directors meetings, the results thereof, and other matters stipulated in laws and regulations shall be stated or recorded in the minutes, and <u>the Chairperson and the Directors and Audit &amp; Supervisory Board Members</u> present shall affix their names and seals, signatures, or electronic signatures.</p>	<p>(Minutes of the Board of Directors Meetings)</p> <p>Article 30</p> <p>A summary of proceedings at the Board of Directors meetings, the results thereof, and other matters stipulated in laws and regulations shall be stated or recorded in the minutes, and the Directors present shall affix their names and seals, signatures, or electronic signatures.</p>
<p>Article 30 (Text omitted)</p>	<p>Article 31 (Unchanged)</p>
<p>(Remuneration, etc. for Directors)</p> <p>Article 31</p> <p>Remuneration, etc. for Directors shall be determined by resolution of the general meeting of shareholders.</p>	<p>(Remuneration, etc. for Directors)</p> <p>Article 32</p> <p>Remuneration, etc. for Directors shall be determined by resolution of the general meeting of shareholders, <u>distinguishing between Audit &amp; Supervisory Committee Members and other Directors.</u></p>
<p>Article 32 (Text omitted)</p>	<p>Article 33 (Unchanged)</p>

Current Articles	Proposed Amendments
<p>Chapter V <u>Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</u> (Appointment of <u>Audit &amp; Supervisory Board Members</u> and Establishment of <u>the Audit &amp; Supervisory Board</u>) Article 33 The Company shall appoint <u>Audit &amp; Supervisory Board Members</u> and establish <u>the Audit &amp; Supervisory Board</u>.</p> <p>(Number of <u>Audit &amp; Supervisory Board Members</u>) Article 34 The Company shall have not more than four <u>Audit &amp; Supervisory Board Members</u>.</p> <p>(Election of <u>Audit &amp; Supervisory Board Members</u>) Article 35 1. <u>Audit &amp; Supervisory Board Members</u> shall be elected by resolution of a general meeting of shareholders. However, approval of the <u>Audit &amp; Supervisory Board</u> must be obtained in order to submit a proposal for the election of an <u>Audit &amp; Supervisory Board Member</u> to the general meeting of shareholders. 2. Resolutions on the election of an <u>Audit &amp; Supervisory Board Member</u> shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</p> <p>(Term of Office of <u>Audit &amp; Supervisory Board Members</u>) Article 36 1. The term of office of an <u>Audit &amp; Supervisory Board Member</u> shall expire at the conclusion of the ordinary general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the <u>Audit &amp; Supervisory Board Member</u>. 2. The term of office of an <u>Audit &amp; Supervisory Board Member</u> elected as a substitute shall be the same as the remaining term of office of the retired <u>Audit &amp; Supervisory Board Member</u>.</p> <p>(Full Time <u>Audit &amp; Supervisory Board Members</u>) Article 37 The <u>Audit &amp; Supervisory Board</u> shall appoint full time <u>Audit &amp; Supervisory Board Member(s)</u> from among the <u>Audit &amp; Supervisory Board Members</u>.</p> <p>(Convener of <u>Audit &amp; Supervisory Board Meetings</u>) Article 38 Each <u>Audit &amp; Supervisory Board Member</u> shall convene <u>Audit &amp; Supervisory Board meetings</u>.</p> <p>(Notice of an <u>Audit &amp; Supervisory Board Meeting</u>) Article 39 1. When convening an <u>Audit &amp; Supervisory Board meeting</u>, a notice shall be dispatched to each <u>Audit &amp; Supervisory Board Member</u> at least three days before the day of the meeting; provided, however, that this period may be reduced in case of emergency. 2. With the consent of all <u>Audit &amp; Supervisory Board Members</u>, an <u>Audit &amp; Supervisory Board meeting</u> may be held without following the convening procedures.</p>	<p>Chapter V <u>Audit &amp; Supervisory Committee</u> (Establishment of <u>the Audit &amp; Supervisory Committee</u>) Article 34 The Company shall establish the <u>Audit &amp; Supervisory Committee</u>.</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Full Time <u>Audit &amp; Supervisory Committee Members</u>) Article 35 The <u>Audit &amp; Supervisory Committee</u> may appoint full time <u>Audit &amp; Supervisory Committee Member(s)</u> from among the <u>Audit &amp; Supervisory Committee Members</u>.</p> <p>(Convener of <u>Audit &amp; Supervisory Committee Meetings</u>) Article 36 Each <u>Audit &amp; Supervisory Committee Member</u> shall convene <u>Audit &amp; Supervisory Committee meetings</u>.</p> <p>(Notice of an <u>Audit &amp; Supervisory Committee Meeting</u>) Article 37 1. When convening an <u>Audit &amp; Supervisory Committee meeting</u>, a notice shall be dispatched to each <u>Audit &amp; Supervisory Committee Member</u> at least three days before the day of the meeting; provided, however, that this period may be reduced in case of emergency. 2. With the consent of all <u>Audit &amp; Supervisory Committee Members</u>, an <u>Audit &amp; Supervisory Committee meeting</u> may be held without following the convening procedures.</p>

Current Articles	Proposed Amendments
<p>(Chairperson of <u>Audit &amp; Supervisory Board Meetings</u>)  Article <u>40</u></p> <ol style="list-style-type: none"> <li><u>The Audit &amp; Supervisory Board shall be chaired by a Full Time Audit &amp; Supervisory Board Member. In the event that there is more than one Full Time Audit &amp; Supervisory Board Member, the Chairperson shall be appointed in advance by mutual vote of the Audit &amp; Supervisory Board Members.</u></li> <li>In case the Chairperson is unable to perform his/her duties, another <u>Audit &amp; Supervisory Board Member</u> following the order predetermined by the <u>Audit &amp; Supervisory Board</u>, shall perform the duties in their place.</li> </ol>	<p>(Chairperson of <u>Audit &amp; Supervisory Committee Meetings</u>)  Article <u>38</u></p> <ol style="list-style-type: none"> <li><u>The Audit &amp; Supervisory Committee shall appoint a Chairperson in advance.</u></li> <li>In case <u>the Audit &amp; Supervisory Committee Member who serves as</u> the Chairperson is unable to perform his/her duties, another <u>Audit &amp; Supervisory Committee Member</u> following the order predetermined by the <u>Audit &amp; Supervisory Committee</u>, shall <u>perform that duty.</u></li> </ol>
<p>(Method of Resolutions of the <u>Audit &amp; Supervisory Board</u>)  Article <u>41</u></p> <p>Resolutions of <u>the Audit &amp; Supervisory Board</u> shall be adopted by a majority of <u>all the Audit &amp; Supervisory Board Members, provided that such a majority is present, except when otherwise provided by laws and regulations.</u></p>	<p>(Method of Resolutions of the <u>Audit &amp; Supervisory Committee</u>)  Article <u>39</u></p> <p>Resolutions of <u>the Audit &amp; Supervisory Committee</u> shall be adopted by a majority of <u>the Audit &amp; Supervisory Committee Members present, provided that a majority of all the Audit &amp; Supervisory Committee Members is present.</u></p>
<p>(Minutes of <u>Audit &amp; Supervisory Board Meetings</u>)  Article <u>42</u></p> <p>A summary of proceedings at <u>the Audit &amp; Supervisory Board meetings</u>, the results thereof, and other matters stipulated in laws and regulations shall be stated or recorded in the minutes, and <u>the Audit &amp; Supervisory Board Members</u> present shall affix their names and seals, signatures, or electronic signatures.</p>	<p>(Minutes of <u>Audit &amp; Supervisory Committee Meetings</u>)  Article <u>40</u></p> <p>A summary of proceedings at <u>the Audit &amp; Supervisory Committee meetings</u>, the results thereof, and other matters stipulated in laws and regulations shall be stated or recorded in the minutes, and <u>the Audit &amp; Supervisory Committee Members</u> present shall affix their names and seals, signatures, or electronic signatures.</p>
<p>(Rules of the <u>Audit &amp; Supervisory Board</u>)  Article <u>43</u></p> <p>Except when otherwise provided by laws and regulations or the Articles of Incorporation, matters concerning <u>the Audit &amp; Supervisory Board</u> shall be in accordance with the Rules of <u>the Audit &amp; Supervisory Board</u> established by <u>the Audit &amp; Supervisory Board.</u></p>	<p>(Rules of the <u>Audit &amp; Supervisory Committee</u>)  Article <u>41</u></p> <p>Except when otherwise provided by laws and regulations or the Articles of Incorporation, matters concerning <u>the Audit &amp; Supervisory Committee</u> shall be in accordance with the Rules of <u>the Audit &amp; Supervisory Committee</u> established by <u>the Audit &amp; Supervisory Committee.</u></p>
<p>(Remuneration, etc. for Audit &amp; Supervisory Board Members)  Article <u>44</u></p> <p><u>Remuneration, etc. for Audit &amp; Supervisory Board Members shall be determined by resolution of a general meeting of shareholders.</u></p>	<p>(Deleted)</p>
<p>(Liability Limitation Agreements with Outside Audit &amp; Supervisory Board Members)  Article <u>45</u></p> <p><u>The Company may enter into an agreement with Outside Audit &amp; Supervisory Board Members to limit their liability for damages if the requirements prescribed by laws and regulations are met with respect to the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act; provided, however, that the maximum amount of the liability for damages under such agreement shall be the minimum liability amount stipulated by laws and regulations.</u></p>	<p>(Deleted)</p>

Current Articles	Proposed Amendments
<p>Chapter VI Accounting Auditors Articles <u>46 - 48</u> (Text omitted)</p> <p>(Remuneration, etc. for Accounting Auditors) Article <u>49</u> Remuneration, etc. for Accounting Auditors shall be determined by the Representative Director with the consent of the <u>Audit &amp; Supervisory Board</u>.</p> <p>Chapter VII Accounting Article <u>50</u> (Text omitted)</p> <p>(Year-End Dividend) Article <u>51</u> The Company shall, by resolution of a general meeting of shareholders, pay cash dividends of surplus (hereinafter referred to as "Year-end Dividends") to the shareholders or registered pledgees of shares listed or recorded in the final register of shareholders as of March 31 of each fiscal year.</p> <p>Articles <u>52 - 53</u> (Text omitted)</p> <p>(New)</p> <p>(New)</p>	<p>Chapter VI Accounting Auditors Articles <u>42 - 44</u> (Unchanged)</p> <p>(Remuneration, etc. for Accounting Auditors) Article <u>45</u> Remuneration, etc. for Accounting Auditors shall be determined by the Representative Director with the consent of the <u>Audit &amp; Supervisory Committee</u>.</p> <p>Chapter VII Accounting Article <u>46</u> (Unchanged)</p> <p>(Year-End Dividend) Article <u>47</u> The Company shall, by resolution of a general meeting of shareholders, pay cash dividends of surplus (hereinafter referred to as "Year-end Dividends") to the shareholders or registered pledgees of shares listed or recorded in the final register of shareholders as of March 31 of each fiscal year. (Change in Japanese only; English unchanged)</p> <p>Articles <u>48 - 49</u> (Unchanged)</p> <p><u>(Supplementary Provisions)</u> <u>(Transitional Measures, etc. for Providing Information in Electronic Format)</u> Article <u>1</u></p> <ol style="list-style-type: none"> <li>1. <u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 16 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022, the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the "Date of Enforcement").</u></li> <li>2. <u>Notwithstanding the provisions of the preceding paragraph, Article 16 of the pre-amended Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></li> <li>3. <u>The provisions of this article shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></li> </ol>

(Note) This is a translation of the original Articles of Incorporation in Japanese. Some underlining does not coincide with the Japanese version because of translation adjustments. In the event of any discrepancy, the original Articles of Incorporation in Japanese shall prevail.

**Proposal No. 3: Election of Ten Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**

The terms of office of the twelve Directors of the Company will expire as of the close of this General Meeting of Shareholders. In addition, if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition to a company with an audit & supervisory committee from a company with an audit & supervisory board.

Accordingly, the Company requests the election of ten Directors (excluding Directors who are Audit & Supervisory Committee Members), on the condition that Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as proposed.

The content of this Proposal shall become effective when the amendments to the Articles of Incorporation pertaining to the transition to a company with an audit & supervisory committee in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” come into effect.

The candidates for Director (excluding Directors who are Audit & Supervisory Committee Members) of the Company are as follows:

1.	Masaru Kawaguchi	Reelection
Date of Birth:	November 2, 1960	
Number of the Company’s Shares Owned:	57,400 Shares	
Number of Years in Office as Director:	Six Years	
Attendance at Board of Directors Meetings:	100.0% (18/18)	
Positions and Responsibilities in the Company:	President and Representative Director, Group CEO	

■ Career Summary

- Apr. 1983: Joined BANDAI CO., LTD.
- Apr. 2002: Executive Officer and General Manager, Vending Machine Business Department of BANDAI CO., LTD.
- Apr. 2006: Director in charge of distribution policy of BANDAI CO., LTD.
- Apr. 2010: Managing Director in charge of hobby business policy and quality assurance policy of BANDAI CO., LTD.
- Apr. 2015: Senior Managing Director in charge of toy business policy of BANDAI CO., LTD.
- Aug. 2015: President and Representative Director of BANDAI CO., LTD.  
Executive Officer of the Company
- June 2016: Director in charge of Toys and Hobby SBU of the Company
- Feb. 2018: President and Representative Director of BANDAI SPIRITS CO., LTD.
- Apr. 2018: Director in charge of Toys and Hobby Unit of the Company
- Apr. 2020: Executive Vice President and Director in charge of Toys and Hobby Unit of the Company
- Apr. 2021: President and Representative Director Responsible for Entertainment Unit of the Company  
Chairman & Director of BANDAI CO., LTD.
- Apr. 2022: President and Representative Director, Group CEO of the Company (current position)

Reasons for proposing Mr. Masaru Kawaguchi as a candidate for Director:

Mr. Masaru Kawaguchi has been supervising the management of the Company appropriately since being appointed as Executive Vice President and Director of the Company in 2020 and as President and Representative Director of the Company in 2021 by, for example, achieving the previous Mid-term Plan and record-high performance, and possesses extensive experience, achievements, and knowledge. He is proposed as a candidate for Director as the Company considers him capable of ensuring that the Group continues to grow.

2.	Yuji Asako	Reelection
Date of Birth:	January 18, 1966	
Number of the Company's Shares Owned:	46,900 Shares	
Number of Years in Office as Director:	12 Years	
Attendance at Board of Directors Meetings:	100.0% (18/18)	
Positions and Responsibilities in the Company:	Director, CFO, CISO, and CSO (Chief Sustainability Officer) in charge of Corporate Planning Division and Group Administrative Headquarters	

#### ■ Career Summary

- Apr. 1986: Joined BANDAI CO., LTD.
- Aug. 2005: General Manager, Accounting Division of BANDAI CO., LTD.
- Sep. 2005: Joined the Company, as General Manager of Corporate Administration Department in charge of PR and IR, and Accounting and Finance
- Apr. 2006: Director of NAMCO BANDAI Games Inc. (currently Bandai Namco Entertainment Inc.)
- Apr. 2008: Executive Officer, Division General Manager of Corporate Planning Division of the Company
- June 2010: Director in charge of Corporate Planning and Division General Manager of Corporate Planning Division of the Company
- June 2011: Director and Division General Manager of Corporate Planning Division of the Company
- Apr. 2014: Director of NAMCO LIMITED (\*) (currently Bandai Namco Amusement Inc.)  
\* Newly established company through the incorporation-type company split of NAMCO LIMITED (currently Bandai Namco Entertainment Inc.)
- Apr. 2017: Director of Bandai Namco Holdings Asia Co., Ltd. (current position)
- Apr. 2021: Director and Division General Manager of Corporate Planning Division Supervising Amusement Unit of the Company  
Director of Bandai Namco Amusement Inc. (current position)
- Apr. 2022: Director, CFO, CISO, and CSO (Chief Sustainability Officer) in charge of Corporate Planning Division and Group Administrative Headquarters of the Company (current position)

#### Reasons for proposing Mr. Yuji Asako as a candidate for Director:

Mr. Yuji Asako possesses extensive experience, achievements, and knowledge relating to management and administration, including business planning and accounting, and also has experience in roles where he was responsible for internal and external communications, such as IR, PR and SR, as well as sustainable activities and information security. He is proposed as a candidate for Director as the Company considers him capable of implementing the Group's management strategies and seeking a sustained increase in corporate value.

<b>3.</b>	<b>Nobuhiko Momoi</b>	<b>New election</b>
Date of Birth:	December 25, 1968	
Number of the Company's Shares Owned:	5,100 Shares	
Positions and Responsibilities in the Company:	Executive Officer and General Manager of Group Business Strategy Department	

■ Career Summary

- Apr. 1991: Joined Sony Corporation (currently SONY GROUP CORPORATION)
- Dec. 1998: Joined Nemic-Lambda Co., Ltd. (currently TDK-Lambda Corporation)
- Oct. 2001: Joined BANDAI CO., LTD.
- Jul. 2004: General Manager of New Business Office of BANDAI CO., LTD.
- Apr. 2016: Executive Officer and General Manager of Media Department of BANDAI CO., LTD.
- Apr. 2018 Director in charge of Europe and Americas business policy and Head of Life Business Company of BANDAI CO., LTD.
- Apr. 2018 Chairman and Representative Director of BANDAI ESPAÑA S.A. (current position)
- Apr. 2021 Managing Director in charge of media policy and Europe and Americas business Director of Bandai Namco Entertainment Europe S.A.S. (currently Bandai Namco Europe S.A.S.) (current position)
- Apr. 2022 President & CEO of Bandai Namco Holdings USA Inc. (current position)  
 Director in charge of US, Canada, Latin America and Europe Business Strategy of BANDAI CO., LTD. (current position)  
 Executive Officer and General Manager of Group Business Strategy Department of the Company (current position)

(Major concurrent position)

President & CEO of Bandai Namco Holdings USA Inc.

Reasons for proposing Mr. Nobuhiko Momoi as a candidate for Director:

Mr. Nobuhiko Momoi possesses extensive experience, achievements, and knowledge in the Toys and Hobby Business in Japan and overseas and has also been engaged in building ties among the various businesses of the Group as Executive Officer and General Manager of the Group Business Strategies Division of the Company since April 2022. He is proposed as a candidate for Director as the Company considers him capable of enhancing collaboration in Group management.



<b>4.</b>	<b>Yasuo Miyakawa</b>	<b>Reelection</b>
Date of Birth:	June 8, 1956	
Number of the Company's Shares Owned:	26,250 Shares	
Number of Years in Office as Director:	Four Years	
Attendance at Board of Directors Meetings:	100.0% (18/18)	
Positions and Responsibilities in the Company:	Director in charge of Digital Business of Entertainment Unit	

■ Career Summary

Apr. 1981:	Joined BANDAI CO., LTD.
Jan. 1996:	Director of Bandai Digital Entertainment
Apr. 2000:	Joined SUNRISE INC. (currently Bandai Namco Filmworks Inc.), as General Manager of Network Development Department
Apr. 2004:	Director of SUNRISE INC.
Apr. 2008:	Managing Director of SUNRISE INC.
Apr. 2011:	Senior Managing Director of SUNRISE INC.
Apr. 2013:	Vice President and Director of SUNRISE INC.
Apr. 2014:	President and Representative Director of SUNRISE INC.
Apr. 2015:	President and Representative Director of Bandai Namco Pictures Inc.
Apr. 2018:	Executive Officer in charge of IP Creation Unit of the Company
June 2018:	Director in charge of IP Creation Unit of the Company
Mar. 2019:	President and Representative Director of Evolving GUNDAM Inc.
Apr. 2019:	Director in charge of Network Entertainment Unit of the Company President and Representative Director of Bandai Namco Entertainment Inc. (current position)
Apr. 2021:	Director in charge of Digital Business of Entertainment Unit of the Company (current position)

(Major concurrent position)

President and Representative Director of Bandai Namco Entertainment Inc.

Reasons for proposing Mr. Yasuo Miyakawa as a candidate for Director:

Mr. Yasuo Miyakawa possesses extensive experience, achievements, and knowledge from his wide-ranging involvement in multiple businesses in the Group. He has driven the business forward as the President and Representative Director of Bandai Namco Entertainment Inc., which is the current business management company of the Digital Business of the Entertainment Unit in the Group, since 2019. He is proposed as a candidate for Director as the Company considers him capable of building closer ties between the Digital Business and Group management.

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**5.****Kazuhiro Takenaka**

New election
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Date of Birth:	February 11, 1964
Number of the Company's Shares Owned:	18,000 Shares
Positions and Responsibilities in the Company:	Executive Officer in charge of the Toys and Hobby Business of Entertainment Unit

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**■ Career Summary**

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Apr. 1987: Joined BANDAI CO., LTD.

Apr. 2006: General Manager of Media Department of BANDAI CO., LTD.

Apr. 2011: Executive Officer and General Manager of Vending Machine Business Department of BANDAI CO., LTD.

June 2015: Director in charge of hobby business policy of BANDAI CO., LTD.

Apr. 2018: Director in charge of Media Department, Online Marketing Strategy Office, Collectors Toy Department, and Hobby Business Department of BANDAI SPIRITS CO., LTD.

Apr. 2019: Managing Director in charge of Media Department of BANDAI SPIRITS CO., LTD.

Apr. 2021: President and Representative Director of BANDAI CO., LTD. (current position)  
Executive Officer in charge of the Toys and Hobby Business of Entertainment Unit of the Company (current position)

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(Major concurrent position)

President and Representative Director of BANDAI CO., LTD.

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Reasons for proposing Mr. Kazuhiro Takenaka as a candidate for Director:

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Mr. Kazuhiro Takenaka possesses extensive experience, achievements, and knowledge in the Toys and Hobby Business and has driven the business forward as President and Representative Director of BANDAI CO., LTD., which is the business management company of the Toys and Hobby Business of the Entertainment Unit in the Group, since 2021. In addition to these factors, he is proposed as a candidate for Director as the Company considers him capable of building closer ties between the Toys and Hobby Business and Group management.

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6.	Makoto Asanuma	Reelection
Date of Birth:	April 23, 1963	
Number of the Company's Shares Owned:	19,400 Shares	
Number of Years in Office as Director:	Three Years	
Attendance at Board of Directors Meetings:	100.0% (18/18)	
Positions and Responsibilities in the Company:	Director in charge of IP Production Unit	
<b>■ Career Summary</b>		
Apr. 1986:	Joined Kabushiki Kaisha Network	
Oct. 2000:	Joined Bandai Networks Co., Ltd.	
Apr. 2004:	General Manager of Mobile Business Department of Bandai Networks Co., Ltd.	
June 2005:	Director, Deputy Division Head of Business Division and General Manager of Content Business Department of Bandai Networks Co., Ltd.	
Apr. 2009:	Executive Officer and Deputy Division Head of NE Business Division of NAMCO BANDAI Games Inc. (currently Bandai Namco Entertainment Inc.)	
Oct. 2010:	President and Representative Director of Bandai Namco Online Inc.	
Apr. 2014:	Director, Division Head of Business Division I of Bandai Namco Entertainment Inc.	
Apr. 2015:	Managing Director in charge of Global Business Promotion Unit / Media Unit of Bandai Namco Entertainment Inc.	
Apr. 2018:	Senior Managing Director of SUNRISE INC. (currently Bandai Namco Filmworks Inc.)	
Mar. 2019:	Chairman of SUNRISE SHANGHAI CO., LTD. (current position)	
Apr. 2019:	Executive Officer in charge of IP Creation Unit of the Company President and Representative Director of SUNRISE INC. (current position)	
June 2019:	Director in charge of IP Creation Unit of the Company	
Apr. 2021:	Director in charge of Creation Business of IP Production Unit of the Company	
Apr. 2022:	Director in charge of IP Production Unit of the Company (current position)	
(Major concurrent positions)		
President and Representative Director of Bandai Namco Filmworks Inc.		
Chairman of SUNRISE SHANGHAI CO., LTD.		
Reasons for proposing Mr. Makoto Asanuma as a candidate for Director:		
<p>Mr. Makoto Asanuma possesses extensive experience, achievements, and knowledge from his wide-ranging involvement in multiple businesses in the Group. He has driven the business forward as the President and Representative Director of SUNRISE INC. (currently Bandai Namco Filmworks Inc.), which is the current business management company of the IP Production Unit in the Group, since 2019. He is proposed as a candidate for Director as the Company considers him capable of building closer ties between the IP Production Business and Group management.</p>		

7.	Hiroshi Kawasaki	Reelection
Date of Birth:	April 24, 1963	
Number of the Company's Shares Owned:	23,950 Shares	
Number of Years in Office as Director:	One Year	
Attendance at Board of Directors Meetings:	100.0% (14/14)	
Positions and Responsibilities in the Company:	Director in charge of Amusement Unit	
<b>■ Career Summary</b>		
Apr. 1987:	Joined BANDAI CO., LTD.	
Apr. 2001:	Executive Officer and General Manager of Innovative Toy Business Department of BANDAI CO., LTD.	
Oct. 2005:	General Manager of President's Office and Corporate Planning Department of the Company	
Apr. 2007:	Director of NAMCO LIMITED (*) (currently Bandai Namco Amusement Inc.) * Newly established company through the incorporation-type company split of NAMCO LIMITED (currently Bandai Namco Entertainment Inc.)	
Apr. 2015:	Managing Director of NAMCO LIMITED	
Apr. 2018:	Director of Bandai Namco Entertainment Inc.	
Apr. 2021:	Executive Officer in charge of Amusement Unit of the Company President and Representative Director of Bandai Namco Amusement Inc. (current position)	
June 2021:	Director in charge of Amusement Unit of the Company (current position)	
(Major concurrent position)		
President and Representative Director of Bandai Namco Amusement Inc.		
Reasons for proposing Mr. Hiroshi Kawasaki as a candidate for Director:		
Mr. Hiroshi Kawasaki possesses extensive experience, achievements, and knowledge from his wide-ranging involvement in multiple businesses in the Group. He has driven the business forward as the President and Representative Director of Bandai Namco Amusement Inc., which is the business management company of the Amusement Unit in the Group, since 2021. He is proposed as a candidate for Director as the Company considers him capable of building closer ties between the Amusement Business and Group management.		

8.	Shuji Ohtsu	Reelection
Date of Birth:	August 6, 1959	
Number of the Company's Shares Owned:	44,400 Shares	
Number of Years in Office as Director:	14 Years	
Attendance at Board of Directors Meetings:	100.0% (18/18)	
Positions and Responsibilities in the Company:	Director and CIO in charge of Bandai Namco Business Arc Inc.	

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■ Career Summary

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- Mar. 1986: Licensed as a Certified Public Accountant
  - Dec. 1996: Partner of Century Audit Corporation
  - Jan. 2000: Partner of Century Ota Showa & Co. (currently Ernst & Young ShinNihon LLC)
  - Sep. 2003: Partner of KPMG AZSA & Co. (currently KPMG AZSA LLC)
  - May 2004: Board Member of KPMG AZSA & Co.
  - Oct. 2007: Joined the Company as Adviser
  - June 2008: Director in charge of Overseas Operations, Group Administrative Headquarters, Corporate Legal Affairs Department and Internal Auditing Division of the Company
  - June 2011: Director in charge of Overseas Regional Headquarters Companies and Division General Manager of the Group Administrative Headquarters of the Company
  - Apr. 2013: Director and Division General Manager of the Group Administrative Headquarters of the Company  
President and Representative Director of NAMCO BANDAI Holdings (USA) Inc. (currently Bandai Namco Holdings USA Inc.)
  - Apr. 2015: President and Representative Director of Bandai Namco Business Arc Inc. (current position)
  - Oct. 2017: President and Representative Director of Bandai Namco Will Inc. (current position)
  - Apr. 2022: Director and CIO in charge of Bandai Namco Business Arc Inc. of the Company (current position)

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(Major concurrent positions)

- President and Representative Director of Bandai Namco Business Arc Inc.
- President and Representative Director of Bandai Namco Will Inc.

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Reasons for proposing Mr. Shuji Ohtsu as a candidate for Director:

Mr. Shuji Ohtsu possesses specialist expertise as a certified public accountant, as well as extensive experience and achievements. He is proposed as a candidate for Director as the Company considers him capable of strengthening Group management structures and ensuring highly transparent management.

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9.

Koichi Kawana

Reelection

Outside Director

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Date of Birth:	April 23, 1958
Number of the Company's Shares Owned:	--- Shares
Number of Years in Office as Director:	Three Years
Attendance at Board of Directors Meetings:	100.0% (18/18)
Positions and Responsibilities in the Company:	Outside Director

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■ Career Summary

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Apr. 1982: Joined JGC CORPORATION (currently JGC HOLDINGS CORPORATION)  
Jul. 1997: General Manager, Abu Dhabi Office and General Manager, Kuwait Office of JGC CORPORATION  
Jul. 2001: General Manager, London Office and JGC UK Managing Director of JGC CORPORATION  
May 2004: General Manager, Project Business Investment Promotion Department, Project Business Promotion Division, Global Marketing Division of JGC CORPORATION  
Aug. 2007: Executive Officer, Senior General Manager, New Business Promotion Division, Global Marketing Division of JGC CORPORATION  
Jul. 2009: Managing Director, Senior General Manager, Global Marketing Division of JGC CORPORATION  
June 2010: Representative Director, Senior Executive Vice President of JGC CORPORATION  
Jul. 2011: Representative Director and President of JGC CORPORATION  
June 2017: Director, Vice Chairman of JGC CORPORATION  
June 2018: Vice Chairman of JGC CORPORATION  
June 2019: Outside Director of the Company (current position)  
Outside Director (Audit & Supervisory Committee Member) of COMSYS Holdings Corporation (current position)  
Outside Director of TOKYO ELECTRON DEVICE LIMITED (current position)  
June 2020: External Director of RENOVA, Inc. (current position)

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(Major concurrent positions)

Outside Director (Audit & Supervisory Committee Member) of COMSYS Holdings Corporation  
Outside Director of TOKYO ELECTRON DEVICE LIMITED  
External Director of RENOVA, Inc.

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Reasons for proposing Mr. Koichi Kawana as a candidate for Outside Director and expected role:

Given Mr. Koichi Kawana's extensive knowledge and experience in corporate management, the Company anticipates that he will be able to further strengthen management oversight and checking functions, and introduce a global managerial perspective based on his extensive experience working overseas, and thus believes that he will be able to perform the duties of an Outside Director appropriately.

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Date of Birth:	June 4, 1957
Number of the Company's Shares Owned:	--- Shares
Number of Years in Office as Director:	One Year
Attendance at Board of Directors Meetings:	100.0% (14/14)
Positions and Responsibilities in the Company:	Outside Director

#### ■ Career Summary

- Apr. 1980: Joined JGC CORPORATION (currently JGC HOLDINGS CORPORATION)
- Jul. 1990: Joined Sanwa Research Institute Corp. (currently Mitsubishi UFJ Research and Consulting Co., Ltd.)
- Aug. 1992: Joined JGC Information Systems Co., Ltd.
- Nov. 1997: Joined CAC Corporation (currently CAC Holdings Corporation)
- Mar. 2000: Executive Officer and General Manager of Corporate Planning Department of CAC Corporation
- Mar. 2002: Director and General Manager of Corporate Planning Division of CAC Corporation
- Jul. 2003: Managing Director and General Manager of Operational Headquarters of CAC Corporation
- Mar. 2004: President and CEO of CAC Corporation
- Jan. 2011: Chairman and CEO of CAC Corporation
- June 2011: Vice Chairman of Japan Information Technology Services Industry Association
- Mar. 2015: Director and Chairman of CAC Holdings Corporation
- Mar. 2019: Special Advisor of CAC Holdings Corporation (current position)
- June 2021: Outside Director of the Company (current position)

(Major concurrent positions)

Special Advisor of CAC Holdings Corporation

#### Reasons for proposing Mr. Toshio Shimada as a candidate for Outside Director and expected role:

Given Mr. Toshio Shimada's extensive knowledge and experience in corporate management, the Company anticipates that he will be able to further strengthen management oversight and checking functions, and introduce his extensive knowledge concerning fusion of corporate management and digital technology into the Company's managerial perspective, and thus believes that he will be able to perform the duties of an Outside Director appropriately.

- (Notes) 1. Each of Mr. Koichi Kawana and Mr. Toshio Shimada is a candidate for Outside Director of the Company. Each of Mr. Koichi Kawana and Mr. Toshio Shimada is currently Outside Director of the Company. As of the close of this General Meeting of Shareholders, Mr. Koichi Kawana will have served as Outside Director for approximately three years, and Mr. Toshio Shimada will have served as Outside Director for approximately one year.
2. Independence as Outside Director  
The Company believes that Mr. Koichi Kawana and Mr. Toshio Shimada, who are candidates for Outside Director of the Company, both satisfy the Company's Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members (please refer to "Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members" on page 30) and thus have no risk of conflicts of interest with general shareholders and have a high degree of independence. The Company has filed a notification with the Tokyo Stock Exchange that each of the candidates would be Independent Directors/Audit & Supervisory Board Members as defined in the rules of the Tokyo Stock Exchange and would be the Independent Directors/Audit & Supervisory Board Members of the Company after the election at this Ordinary General Meeting of Shareholders.
3. Each of Mr. Hiroshi Kawasaki and Mr. Toshio Shimada were elected at the Sixteenth Ordinary General Meeting of Shareholders held on June 21, 2021, and thus, the number of Board of Directors Meetings on which their attendance rates are based differ from that of other Directors. There have been 14 Board of Directors Meetings since Mr. Hiroshi Kawasaki and Mr. Toshio Shimada assumed the office of Director.
4. The Company does not intend to conclude with each of the candidates for Outside Director a Liability Limitation Agreement provided for in Article 427, Paragraph 1 of the Companies Act.

5. The Company does not intend to conclude with each of the candidates for Director an Indemnification Agreement provided for in Article 430-2, Paragraph 1 of the Companies Act.
6. The Company has concluded a Directors and Officers Liability (D&O) Insurance Policy prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and the overview of said insurance policy is as stated in page 62 of the Business Report. If this Proposal is approved and adopted as proposed, each of the candidates for Director will be included as an insured under the policy. In addition, the Company plans to renew the policy with the same terms at the time of its renewal.
7. There are no special interests between each of the candidates for Director and the Company.



**Proposal No. 4:** Election of Four Directors Who Are Audit & Supervisory Committee Members

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition to a company with an audit & supervisory committee from a company with an audit & supervisory board.

Accordingly, the Company requests the election of four Directors who are Audit & Supervisory Committee Members, on the condition that Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as proposed. This Proposal has already been approved by the Audit & Supervisory Board.

The content of this Proposal shall become effective when the amendments to the Articles of Incorporation pertaining to the transition to a company with an audit & supervisory committee in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” come into effect.

The candidates for Director who is an Audit & Supervisory Committee Member of the Company are as follows:

<b>1.</b>	<b>Masataka Nagaike</b>	<b>New election</b>
Date of Birth:	May 15, 1959	
Number of the Company’s Shares Owned:	3,200 Shares	
Number of Years in Office as an Audit & Supervisory Board Member:	Four Years	
Attendance at Board of Directors Meetings:	100.0% (18/18)	
Attendance at Audit & Supervisory Board Meetings:	100.0% (15/15)	
Positions and Responsibilities in the Company:	Full Time Audit & Supervisory Board Member	

■ Career Summary

Nov. 1994: Joined NAMCO LIMITED (currently Bandai Namco Entertainment Inc.)  
Apr. 2004: Leader of General Affairs and Compliance Group of NAMCO LIMITED  
Sep. 2005: Joined the Company, as General Manager in charge of Human Resources and General Affairs of the Corporate Administration Department  
Apr. 2007: Director of BANDAI CO., LTD.  
Apr. 2009: General Manager of Corporate Legal Affairs Department of the Company  
June 2018: Full Time Audit & Supervisory Board Member of the Company (current position)

Reasons for proposing Mr. Masataka Nagaike as a candidate for Director who is an Audit & Supervisory Committee Member:

Given his many years of experience in engaging in work in the administration divisions, and mastering corporate legal affairs, the Company expects Mr. Masataka Nagaike to utilize his knowledge and experience for the audit & supervisory system of the Company, and thus believes that he will be able to perform the duties of an Audit & Supervisory Committee Member appropriately.

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2.

Toru Shinoda

New election

Outside Director

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Date of Birth:	December 5, 1963
Number of the Company's Shares Owned:	300 Shares
Number of Years in Office as an Audit & Supervisory Board Member:	Four Years
Attendance at Board of Directors Meetings:	100.0% (18/18)
Attendance at Audit & Supervisory Board Meetings:	100.0% (15/15)
Positions and Responsibilities in the Company:	Full Time Outside Audit & Supervisory Board Member

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■ Career Summary

Apr. 1986: Joined Daiwa Securities Co. Ltd.

Oct. 1991: Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)

Aug. 1995: Licensed as a Certified Public Accountant

June 2018: Full Time Outside Audit & Supervisory Board Member of the Company (current position)

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(Major concurrent position)

Certified Public Accountant

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Reasons for proposing Mr. Toru Shinoda as a candidate for Outside Director who is an Audit & Supervisory Committee Member and expected role:

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Given his many years mastering audit practices, and given he is a certified public accountant, the Company expects Mr. Toru Shinoda to utilize his advanced knowledge and experience in accounting and auditing for the audit & supervisory system of the Company, and thus believes that he will be able to perform the duties of an Audit & Supervisory Committee Member appropriately. Although he has not been involved in corporate management other than through serving as an outside officer, for the reasons described above, the Company believes that he will be able to perform the duties of an Audit & Supervisory Committee Member appropriately.

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3.

Satoko Kuwabara

New election

Outside Director

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Date of Birth:	November 1, 1964
Number of the Company's Shares Owned:	--- Shares
Number of Years in Office as Director:	Six Years
Attendance at Board of Directors Meetings:	100.0% (18/18)
Positions and Responsibilities in the Company:	Outside Director

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■ Career Summary

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Apr. 1990: Admitted to the bar in Japan  
Joined Mori Sogo Law Offices (currently Mori Hamada & Matsumoto)

Jan. 1998: Partner of Mori Hamada & Matsumoto

June 2016: Outside Director of the Company (current position)

Mar. 2020: Outside Auditor of Unicafe Inc. (current position)

Apr. 2020: Partner of GAIEN PARTNERS (current position)

June 2020: Outside Audit & Supervisory Board Member of Nippon Yusen Kabushiki Kaisha (current position)

June 2021: Outside Director of Mitsubishi UFJ Financial Group, Inc. (current position)

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(Major concurrent positions)

Attorney-at-Law

Partner of GAIEN PARTNERS

Outside Auditor of Unicafe Inc.

Outside Audit & Supervisory Board Member of Nippon Yusen Kabushiki Kaisha

Outside Director of Mitsubishi UFJ Financial Group, Inc.

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Reasons for proposing Ms. Satoko Kuwabara as a candidate for Outside Director who is an Audit & Supervisory Committee Member and expected role:

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Given her many years of experience as an attorney-at-law, the Company expects Ms. Satoko Kuwabara to utilize her advanced knowledge and experience from a legal risk perspective, and thus believes that she will be able to perform the duties of an Audit & Supervisory Committee Member appropriately. Although she has not been involved in corporate management other than through serving as an outside officer, for the reasons described above, the Company believes that she will be able to perform the duties of an Audit & Supervisory Committee Member appropriately.

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4.

Takayuki Komiya

New election

Outside Director

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Date of Birth: August 27, 1970

Number of the Company's Shares Owned: --- Shares

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■ Career Summary

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- Nov. 1993: Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC)
- Apr. 1997: Licensed as a Certified Public Accountant
- Jul. 2001: Joined Takano Sogo Accounting Office (currently Certified Public Tax Accountant's Co. Takano Sogo Accounting Firm)
- Jan. 2002: Licensed as a Certified Public Tax Accountant
- June 2006: Outside Audit & Supervisory Board Member of NAMCO LIMITED (\*) (currently Bandai Namco Amusement Inc.) (current position)  
\* Newly established company through the incorporation-type company split of NAMCO LIMITED (currently Bandai Namco Entertainment Inc.)
- Jul. 2007: Representative Director of Takano Sogo Consulting Co., Ltd.
- June 2010: Senior Partner of Certified Public Tax Accountant's Co. Takano Sogo Accounting Firm
- Dec. 2017: Representative Director of KEY Consulting Co., Ltd. (current position)
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(Major concurrent position)

Certified Public Accountant

Certified Public Tax Accountant

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Reasons for proposing Mr. Takayuki Komiya as a candidate for Outside Director who is an Audit & Supervisory Committee Member and expected role:

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Given his many years mastering accounting and tax practices, and given he is a certified public accountant and a certified public tax accountant, the Company expects Mr. Takayuki Komiya to utilize his advanced knowledge and experience in accounting, tax affairs and auditing for the audit & supervisory system of the Company, and thus believes that he will be able to perform the duties of an Audit & Supervisory Committee Member appropriately.

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- (Notes)
1. Each of Mr. Toru Shinoda, Ms. Satoko Kuwabara and Mr. Takayuki Komiya is a candidate for Outside Director of the Company. Ms. Satoko Kuwabara is currently Outside Director of the Company. As of the close of this General Meeting of Shareholders, Ms. Satoko Kuwabara will have served as Outside Director for approximately six years.
  2. Independence as Outside Director  
The Company believes that Mr. Toru Shinoda, Ms. Satoko Kuwabara and Mr. Takayuki Komiya, who are candidates for Outside Director of the Company, all satisfy the Company's Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members (please refer to "Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members" on page 30) and thus have no risk of conflicts of interest with general shareholders and have a high degree of independence. The Company has filed a notification with the Tokyo Stock Exchange that each of the candidates would be Independent Directors/Audit & Supervisory Board Members as defined in the rules of the Tokyo Stock Exchange and would be the Independent Directors/Audit & Supervisory Board Members of the Company after the election at this Ordinary General Meeting of Shareholders.
  3. Each of Mr. Masataka Nagaike and Mr. Toru Shinoda currently serves as an officer who is not an Executive Officer (Audit & Supervisory Board Member), and the term of office of each person is approximately four years.
  4. Ms. Satoko Kuwabara's name on the family register is Satoko Ota.
  5. The Company does not intend to conclude with each of the candidates for Outside Director a Liability Limitation Agreement provided for in Article 427, Paragraph 1 of the Companies Act.
  6. The Company does not intend to conclude with each of the candidates for Director an Indemnification Agreement provided for in Article 430-2, Paragraph 1 of the Companies Act.
  7. The Company has concluded a Directors and Officers Liability (D&O) Insurance Policy prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and the overview of said insurance policy is as stated in page 62 of the Business Report. If this Proposal is approved and adopted as proposed, each of the candidates for Director will be included as an insured under the policy. In addition, the Company plans to renew the policy

with the same terms at the time of its renewal.

8. There are no special interests between each of the candidates for Director and the Company.

**Policy on and process for selecting candidates for Director of the Company <Reference>**

The Company selects candidates for Director of the Company using the following policy and process.

If Proposal No. 3 and Proposal No. 4 are approved and adopted as proposed, Outside Directors shall make up one-third of all Directors, such that five of the fourteen Directors of the Company will be independent Outside Directors.

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

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

To select candidates for independent Outside Director of the Company, nominations that provide an appropriate balance of, for example, individuals with extensive experience in corporate management, individuals with profound 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 of which the chair and a majority of the members are independent Outside Directors is established on a discretionary basis to act as a forum for debate and receive recommendations based on the respective candidate's achievements and knowledge, and the independent Outside Directors conduct interviews with new candidates before a decision is made at a Board of Directors meeting.

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

Having prescribed the following “Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members,” upon transitioning to a company with an audit & supervisory committee, the Company has nominated outside officers from among the candidates whom the Company has requested be elected in Proposal No. 3 and Proposal No. 4, replacing the terms\* of the following standards. \* “Directors” shall be replaced by “Directors who are not Audit and Supervisory Committee Members” of the Company, and “Audit & Supervisory Board Members” shall be replaced by “Directors who are Audit & Supervisory Committee Members” of the Company.

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

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

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

- (Notes) 1 In items 1 and 2, where it reads “any person who purports to be a major business partner of the Company,” this means “any person (or company) who has received a payment from the Company 2% or more of its annual consolidated net sales for the most recent business year.”
- 2 In items 3 and 4, where it reads “any person who is a major business partner of the Company,” this means “any person (or company) who has paid to the Company an amount 2% or more of the Company’s annual consolidated net sales for the most recent business year, or any person (or company) who has provided the Company with a loan of an amount 2% or greater of the value of the Company’s consolidated total assets as of the end of the most recent business year.”
- 3 In items 5, 7 and 8, where it reads “a certain amount,” this means “¥10 million a year.”
- 4 In item 6, where it reads “a certain amount,” this means “2% or more of the total net sales for that company, association or organization for the most recent business year, or ¥100 million; whichever is greater.”

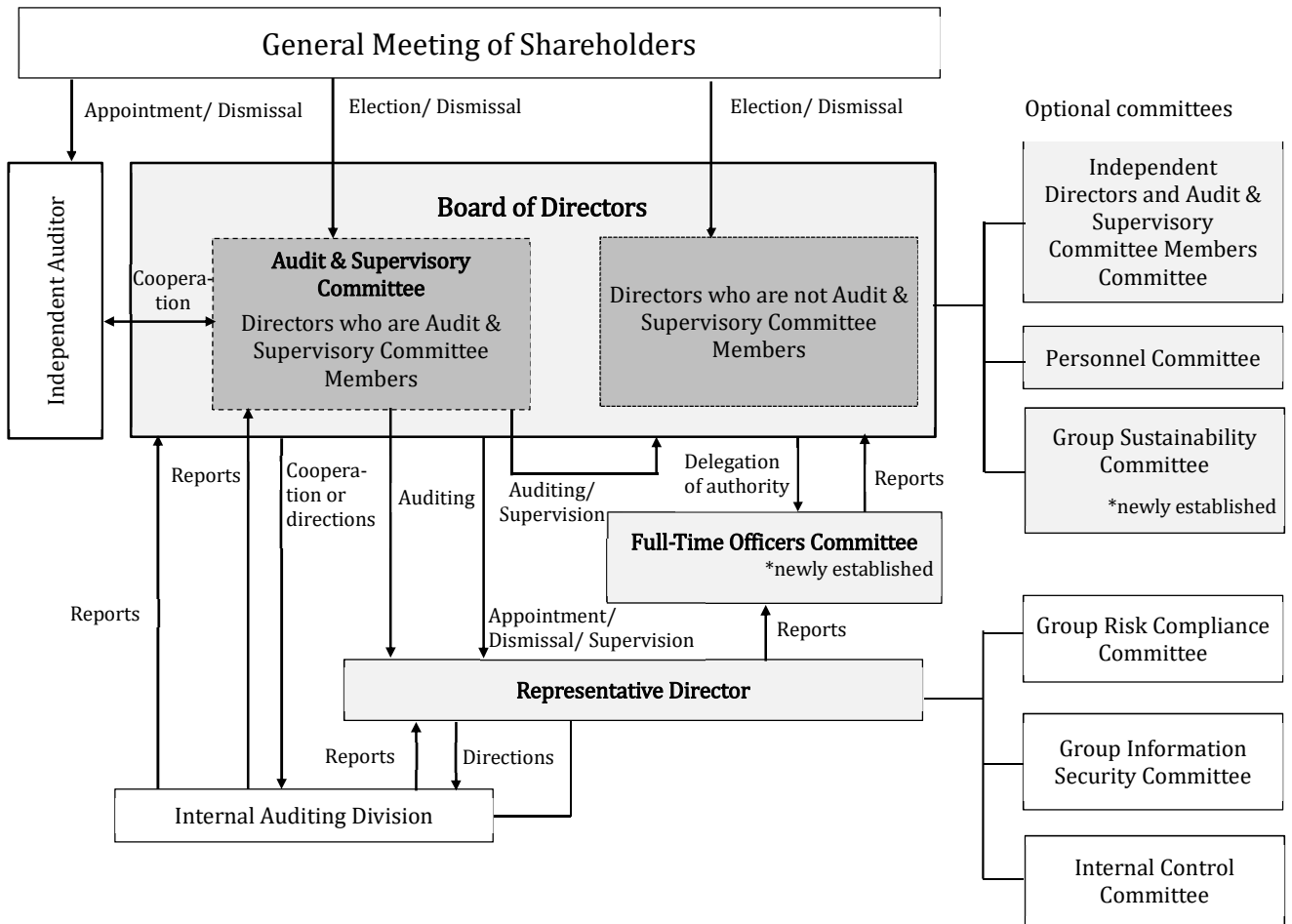
Portfolio of Anticipated Executive Skills after Election (Skill Matrix) <Reference>

Candidates		Corporate management	Business Segment Experience					
			Digital	Toys and hobby	Visual and music	IP creation and development	Facilities and machines	
Directors (excluding Directors who are Audit & Supervisory Committee Members)	Inside	Masaru Kawaguchi	✓	✓	✓		✓	
		Yuji Asako	✓					
		Nobuhiko Momoi	✓		✓		✓	
		Yasuo Miyakawa	✓	✓	✓	✓		
		Kazuhiro Takenaka	✓		✓		✓	
		Makoto Asanuma	✓	✓		✓	✓	✓
		Hiroshi Kawasaki	✓	✓	✓		✓	✓
	Shuji Ohtsu	✓						
	Outside	Koichi Kawana	✓					
Toshio Shimada		✓						
Directors who are Audit & Supervisory Committee Members	Inside	Masataka Nagaike						
		Toru Shinoda						
	Outside	Satoko Kuwabara						
		Takayuki Komiya	✓					

Candidates		Finance, tax affairs, and accounting	Sustainability	Internationality	Legal affairs	Digital technology and information security	Independence	
Directors (excluding Directors who are Audit & Supervisory Committee Members)	Inside	Masaru Kawaguchi		✓		✓		
		Yuji Asako	✓	✓		✓		
		Nobuhiko Momoi			✓			
		Yasuo Miyakawa		✓	✓		✓	
		Kazuhiro Takenaka		✓				
		Makoto Asanuma		✓			✓	
		Hiroshi Kawasaki		✓				
	Shuji Ohtsu	✓		✓		✓		
	Outside	Koichi Kawana			✓			✓
Toshio Shimada						✓	✓	
Directors who are Audit & Supervisory Committee Members	Inside	Masataka Nagaike			✓			
		Toru Shinoda	✓				✓	
	Outside	Satoko Kuwabara				✓	✓	
		Takayuki Komiya	✓				✓	



**Corporate Governance Structure After Transition to a Company With an Audit & Supervisory Committee <Reference>**



**Proposal No. 5: Determination of Remuneration Limit for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition to a company with an audit & supervisory committee from a company with an audit & supervisory board.

At the Tenth Ordinary General Meeting of Shareholders held on June 22, 2015, it was resolved that the remuneration limit for the Company’s Directors would be 850 million yen per fiscal year (including a maximum of 60 million yen for Outside Directors), of which 400 million yen would be for base remuneration and the remaining 450 million yen would be for cash bonuses. The Company seeks approval for abolishing this limit and then setting a new remuneration limit for Directors (excluding Directors who are Audit & Supervisory Committee Members) as follows in connection with its transition to a company with an audit & supervisory committee: 1 billion yen per fiscal year (including a maximum of 100 million yen for Outside Directors), of which 450 million yen will be for base remuneration and the remaining 550 million yen will be for cash bonuses.

Cash bonuses are to be calculated within a range of 0% to 200% of the predetermined base amount based on the actual consolidated operating profit of the Group for each fiscal year, with the payment ratio changing within that range depending on the results of an evaluation of the progress of sustainability initiatives. Cash bonuses are to be paid within a limit of 1.5% of profit attributable to owners of parent and shall not exceed 550 million yen at the maximum.

We have determined that the content of this Proposal is reasonable given that it has been deliberated on 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, taking into account factors such as recent economic conditions, the scale of the Company’s business, the future composition of the Board of Directors, and the expansion of the duties that the Directors are required to perform.

Please note that although the Company established a policy for determining the composition of remuneration, etc. for individual Directors at the Board of Directors Meeting held on March 16, 2021, the Company plans to make amendments to the policy as stated on pages 42 and 43 on the condition that the Company transitions to a company with an audit & supervisory committee and this Proposal, Proposal No. 6 “Determination of Remuneration Limit for Directors Who Are Audit & Supervisory Committee Members,” and Proposal No. 7 “Determination of Performance-based Stock Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)” are approved and adopted as proposed.

There are currently twelve Directors (including four Outside Directors), and the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be ten (including two Outside Directors) if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Ten Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” are approved and adopted as proposed.

The content of this Proposal shall become effective when the amendments to the Articles of Incorporation pertaining to the transition to a company with an audit & supervisory committee in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” come into effect.

**Proposal No. 6: Determination of Remuneration Limit for Directors Who Are Audit & Supervisory Committee Members**

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition to a company with an audit & supervisory committee from a company with an audit & supervisory board. Accordingly, the Company seeks approval for setting the remuneration limit for Directors who are Audit & Supervisory Committee Members at 200 million yen per year.

We have determined that the content of this Proposal is reasonable given that it has been deliberated on 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, taking into account factors such as recent economic conditions, the scale of the Company’s business, the future composition of the Board of Directors, and the expansion of the duties that the Directors who are Audit & Supervisory Committee Members are required to perform.

Please note that although the Company established a policy for determining the composition of remuneration, etc. for individual Directors at the Board of Directors Meeting held on March 16, 2021, the Company plans to make amendments to the policy as stated on pages 42 and 43 on the condition that the Company transitions to a company with an audit & supervisory committee and Proposal No. 5 “Determination of Remuneration Limit for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members),” this Proposal, and Proposal No. 7 “Determination of Performance-based Stock Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)” are approved and adopted as proposed.

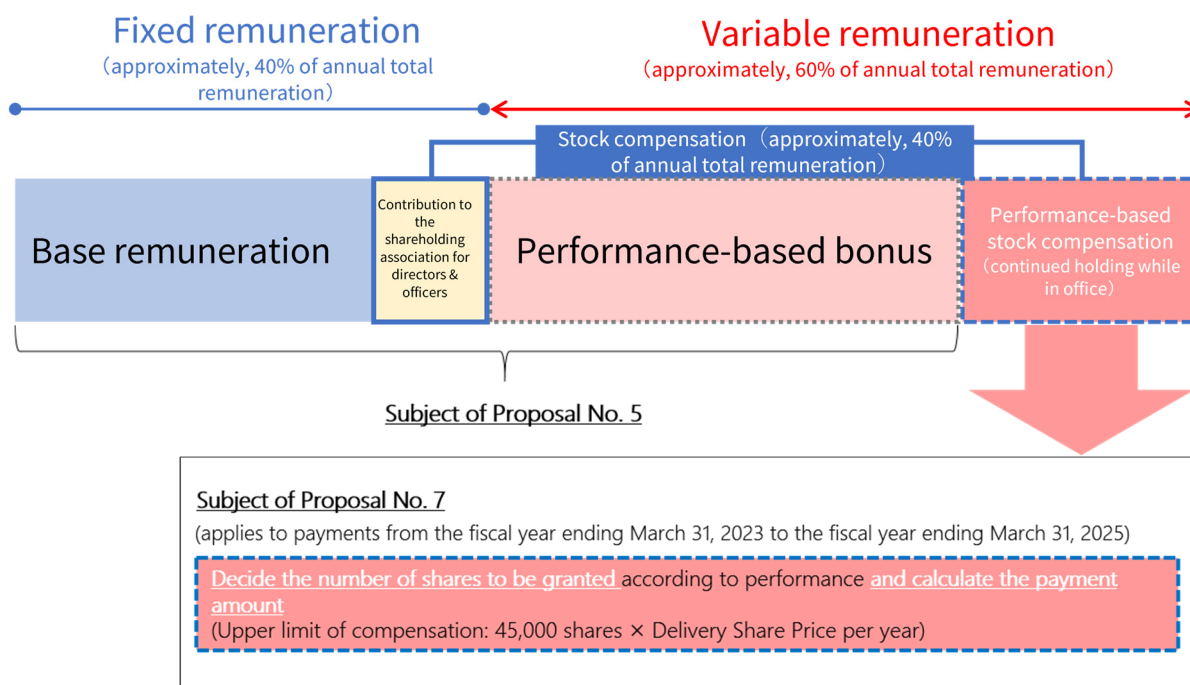
The number of Directors who are Audit & Supervisory Committee Members will be four (including three Outside Directors) if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 4 “Election of Four Directors Who Are Audit & Supervisory Committee Members” are approved and adopted as proposed.

The content of this Proposal shall become effective when the amendments to the Articles of Incorporation pertaining to the transition to a company with an audit & supervisory committee in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” come into effect.

**Proposal No. 7: Determination of Performance-based Stock Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)**

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition to a company with an audit & supervisory committee from a company with an audit & supervisory board. Accordingly, the Company seeks approval with respect to the determination of a performance-based stock compensation plan for Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors; the “Eligible Directors”), namely, to provide monetary compensation claims for granting common stock of the Company and cash with an upper limit per fiscal year equivalent to the amount obtained by multiplying 45,000 shares by the share price at the time of delivery (meaning the delivery share price defined in (2) (\*3) below; the “Delivery Share Price”) (that plan, the “Plan”) by making it conform to the Mid-term Plan of the Bandai Namco Group (From April 2022 to March 2025) which started in April 2022 (the “Mid-term Plan”).

(Reference) If Proposal No. 5 and Proposal No. 7 (this Proposal) are approved and adopted as proposed, the overview of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) will be as follows.



At the Thirteenth Ordinary General Meeting of Shareholders of the Company held on June 18, 2018, approval for a plan that provides monetary compensation claims for granting common stock of the Company and cash with an upper limit per fiscal year equivalent to the amount obtained by multiplying 45,000 shares by the Delivery Share Price (the “Current Plan”) was received by making it conform to the “Mid-term Plan of the Bandai Namco Group (From April 2018 to March 2021),” which started in April 2018 (the “Previous Mid-term Plan”). Moreover, after the Previous Mid-term Plan ended in March 2021, approval for the terms of the Current Plan continuing to be effective for the fiscal year ended March 31, 2022 was received at the Sixteenth Ordinary General Meeting of Shareholders of the Company held on June 21, 2021.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition to a company with an audit & supervisory committee. Therefore, the Company intends, for the purpose of sharing value with shareholders and continuously promoting improvement in corporate value, to set the total amount of monetary compensation claims and cash to be provided to the Eligible Directors after transitioning to a company with an audit & supervisory committee as performance-based stock compensation whose upper limit per fiscal year is the amount obtained by multiplying 45,000 shares by the Delivery Share Price, which is an amount considered to be reasonable in light of the purposes described above, excluding the amount of remuneration, etc. (1 billion yen or less per fiscal year) that is requested to be approved as Proposal No. 5 “Determination of Remuneration Limit for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members).” As described below, under the Plan, the target performance under the Current Plan is raised and the payment levels upon the achievement of the target performance are revised, in addition to which the payment conditions if an Eligible Director is also a president and representative director of a business management company, etc. and other matters are partially amended.

Under the Plan, taking the predetermined reference number of share units in accordance with the roles of Eligible Directors as the basis for calculation, common stock of the Company and cash will be delivered or provided to Eligible Directors according to the number of payment share units that is determined based on the status of attainment of the performance target for the Company’s consolidated operating profit for each fiscal year during the period of the Mid-term Plan (the “Evaluated Fiscal Years”). Under the Plan, the number of payment share units will be determined only based on the performance results, and the shares will be provided only when consolidated operating profit are 75 billion yen or higher, and thereafter, the number of payment share units will be gradually increased until consolidated operating profit reaches 125 billion yen (which is the final fiscal year target for the Mid-term Plan). It is possible to directly reflect fluctuations in the stock price in the remuneration by designing the Plan as described above. In addition, whether payments will be made and the number of payment share units will be determined based on the performance results of each Evaluated Fiscal Year. However, notwithstanding the above, if an Eligible Director is also a president and representative director of any of four business management companies of the Group, namely Bandai Namco Entertainment Inc. (“BNE”), BANDAI CO., LTD. (“BC”), Bandai Namco Filmworks Inc. (“BNF”), and Bandai Namco Amusement Inc. (“BNAM”), and if the operating profit of the business that the relevant Eligible Director is responsible for in the relevant company for the Evaluated Fiscal Year are in the red, the performance-based stock compensation will not be provided.

In addition, as in the case of the Current Plan, common stock of the Company to be delivered under the Plan is subject to a sale restriction during the term of office of each Director, etc. in order to ensure ongoing sharing of value with shareholders during the term of office of the Director, etc. Therefore, cash converted at the Delivery Share Price will be provided for part of the determined number of payment share units so that such cash may be applied to the funds for tax imposed when common stock of the Company is delivered to an Eligible Director.

We have determined that the content of this Proposal is reasonable given that it has been deliberated on 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.

There are currently eight Directors (excluding Outside Directors), and the number of Eligible Directors will be eight if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Ten Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” are approved and adopted as proposed.

The content of this Proposal shall become effective when the amendments to the Articles of Incorporation pertaining to the transition to a company with an audit & supervisory committee in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” come into effect.

The content of the Plan is as follows:

(1) Overview of the Plan

Under the Plan, common stock of the Company (\*) and cash (hereinafter referred to as the "Company's Shares, Etc.") shall be delivered or provided to Eligible Directors according to the degree of attainment of the performance target for consolidated operating profit for each Evaluated Fiscal Year. The Company's Shares, Etc. shall be delivered or provided only when consolidated operating profit is 75 billion yen or higher, and the payment ratio will gradually increase based on the results of consolidated operating profit, with the payment ratio becoming 100%, which is the upper limit of payment, when consolidated operating profit reaches the final fiscal year target for the Mid-term Plan of 125 billion yen. (However, upon calculation of the payment ratio, fractions will be rounded up to the nearest first decimal place.)

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

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

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

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

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

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

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

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

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

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

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

(\*1) The reference number of share units shall be determined in advance based on the roles and responsibilities of each Eligible Director.

(Reference) If Proposal No. 3 is approved and adopted as proposed, the predetermined reference number of share units for the Eligible Directors for the fiscal year ending March 31, 2023 shall be as set out in the following table. If a Director of the Company is also a president and representative director of any of four business management companies of the Group, namely BNE, BC, BNF, and BNAM, or of Bandai Namco Business Arc Inc. (“BNBA”), the reference number for share units as the president and representative director of those business management companies or BNBA shall apply. If a Director of the Company is also a president and representative director of two or more business management companies or BNBA, the largest of the corresponding reference numbers for share units shall apply. If a Director of the Company is also a president and representative director as described above, each company of which the relevant Director is also a president and representative director shall provide monetary compensation claims and cash to the relevant Director as remuneration.

However, a Director of the Company who is also a president and representative director of the business management companies will not be entitled to receive monetary compensation claims and cash as performance-based stock compensation from the company of which they are also a president and representative director if the operating profit of the business for which they are responsible in the relevant company for the Evaluated Fiscal Year is in the red.

(Reference number of share units)

	Company	BNE	BC	BNF	BNAM	BNBA
President and representative director	9,900	8,900	8,900	5,900	5,900	3,700
Director	4,900	-	-	-	-	-

(\*2) The Company’s Shares, Etc. shall not be provided if consolidated operating profit does not reach 75 billion yen. If consolidated operating profit is 125 billion yen or higher, 100% of the Company’s Shares, Etc. shall be provided. The specific method for determining the payment ratio is as follows.

However, a Director of the Company who is also a president and representative director of the business management companies shall not receive the performance-based stock compensation if the operating profit of the business for which they are responsible in the relevant company for the Evaluated Fiscal Year is in the red.

Consolidated operating profit	Payment ratio
Less than 75 billion yen	0%
75 billion yen or more but less than 125 billion yen	$[100 \times 1/3 + \{(Amount\ of\ consolidated\ operating\ profit\ (in\ 100\ millions\ of\ yen) - 75\ billion\ yen) \div 100\ million\ yen \div 5\} \times 2/3]\%$ (However, fractions will be rounded up to the nearest first decimal place.)
125 billion yen or more	100%

(\*3) Delivery Share Price is the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution at the Board of Directors Meeting to deliver the Company’s common stock related to the Plan held within two months from the date of the ordinary general meeting of shareholders pertaining to each



Evaluated Fiscal Year stipulated in (3) below (if the Company's shares were not traded on that day, the closing price on the last day the shares were traded prior to that).

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

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

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

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

The number of the Company's Shares, Etc. to be delivered or provided shall be decided at a Board of Directors Meeting for delivering the Company's common stock related to the Plan held within two months from the ordinary general meeting of shareholders for the Evaluated Fiscal Year.

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

Please note that although the Company established a policy for determining the composition of remuneration, etc. for individual Directors at the Board of Directors Meeting held on March 16, 2021, the Company plans to make amendments to the policy as stated on pages 42 and 43 on the condition that the Company transitions to a company with an audit & supervisory committee and Proposal No. 5 "Determination of Remuneration Limit for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)," Proposal No. 6 "Determination of Remuneration Limit for Directors Who Are Audit & Supervisory Committee Members," and this Proposal are approved and adopted as proposed.

The Company has determined that the Plan based on this Proposal is in line with the policy and is appropriate as a plan for sharing value with shareholders and promoting sustainable improvement in corporate value.

(Reference) The Company shall apply a similar performance-based stock compensation plan to the Directors of four business management companies of the Group, namely BNE, BC, BNF, and BNAM, and of BANDAI SPIRITS CO., LTD., Bandai Namco Music Live Inc, and BNBA who are not Directors of the Company (the “Eligible Subsidiary Directors”). The Company’s Shares, Etc. shall be also delivered or provided to the Eligible Subsidiary Directors on the same terms as those set out in the proposal regarding the Plan on the condition that this Proposal is approved and adopted as proposed and its calculation method will be the same as (2) above.

The upper limit of the total amount of monetary compensation claims (to be used as property contributed in kind in payment for common stock of the Company) and cash provided to the Eligible Subsidiary Directors per Evaluated Fiscal Year shall be the amount obtained by multiplying 124,000 shares by the Delivery Share Price (in addition, together with the amount provided to the Eligible Directors, the upper limit shall be the amount obtained by multiplying 169,000 shares by the Delivery Share Price). Also, the upper limit for the total number of shares of common stock of the Company that can actually be delivered to the Eligible Subsidiary Directors per fiscal year shall be 62,000 shares (0.03% of the total number of shares issued) (in addition, together with the amount provided to the Eligible Directors, the upper limit shall be 84,500 shares (0.04% of the total number of shares issued)). However, if the Company conducts a stock split or stock consolidation of common stock of the Company after the conclusion of this Ordinary General Meeting of Shareholders, the Company shall make an adjustment by using the same formula, etc. as set out in Item (2) above.

## **Policy and Procedures for Determining Remuneration, etc. for Directors After Transition to a Company With an Audit & Supervisory Committee <Reference>**

At the Board of Directors Meeting held on May 19, 2022, the Company passed a resolution to review the previous officer remuneration system and establish a new officer remuneration system for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) after transitioning to a company with an audit & supervisory committee. The Company also resolved to make the following amendments to its policy for determining the composition of remuneration, etc. of individual Directors on the condition that Proposal No. 5 “Determination of Remuneration Limit for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members),” Proposal No. 6 “Determination of Remuneration Limit for Directors Who Are Audit & Supervisory Committee Members,” and Proposal No. 7 “Determination of Performance-based Stock Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)” are approved and adopted.

### **(i) Basic policy**

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

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.

### **(ii) Fixed remuneration (base remuneration)**

The base remuneration for the Company’s Directors (excluding Directors who are 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 Directors who are Audit & Supervisory Committee Members and Outside Directors) contribute a fixed proportion of the base remuneration to the shareholding association for directors and officers to purchase the Company’s shares.

(iii) 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, 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 targets, fiscal year targets, and year-on-year targets for the Group's actual consolidated operating profit, for each fiscal year, with the payment ratio changing within that range depending on the results of sustainability evaluations to be newly adopted. 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). 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.

(iv) Remuneration structure

The Company determines the remuneration structure by verifying the level of remuneration based on its performance results and objective benchmarks for the management's remuneration obtained from external specialist organizations and comprehensively taking into consideration the ratio of fixed remuneration to variable remuneration in the annual total remuneration and the ratio of medium- to long-term remuneration in variable remuneration. If the target for the last fiscal year under the Mid-term Plan 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%.

(v) Procedures for determining remuneration

The policy, framework, and performance-based mechanism for remuneration for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) will be determined by the Board of Directors after deliberation by the Personnel Committee, 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.

**BUSINESS REPORTS**

*(From April 1, 2021 to March 31, 2022)*

**1. Current Status of the Group**

**(1) Business Status for This Fiscal Year**

**(i) Business Progress and Results**

During the fiscal year ended March 31, 2022, the continued spread of the novel coronavirus disease (COVID-19), changes in the social situation, and spread of digital technologies, among other factors, affected both Japanese and overseas economies and societies, as well as customer lifestyles and preferences. As part of our response against the spread of COVID-19, the Group has been giving the highest priority to the safety of our various stakeholders, including employees and their families and our customers, while implementing measures to prevent the spread of infection. We also promoted various measures to adapt to diversification in lifestyles and preferences of customers such as by strengthening the sales and marketing that utilize digital strategies. We have also been taking advantage of the worldview and unique characteristics of IP (Intellectual Property: meaning characters and other intellectual property) to further enhance the “IP axis strategy” that aims to maximize IP value through the provision of the optimal products and services at the optimal possible times. The measures also include initiatives to expand global development, an initiative to strengthen development in regions and businesses with high growth potential, and an initiative to realize the total capabilities of the Group in regions around the world under the ALL BANDAI NAMCO concept. In addition, the Company determined that in light of the rapidly changing environment, it was necessary to formulate a new strategy for a new era and has postponed the start of the new Mid-term Plan, which was originally scheduled to start in April 2021, by one year. We positioned this fiscal year as the period to establish a business foundation and organizational structure to promote the strategies of the new Mid-term Plan and promoted various initiatives to examine strategies, restructure organizations, and strengthen cooperation among businesses.

The results of the fiscal year ended March 31, 2022 exceeded those of the previous fiscal year wherein each business was severely impacted by the temporary closure of retail stores and amusement facilities in many regions both in Japan and overseas and the cancellation of events, etc. due to the spread of COVID-19. With regard to business operations, the Digital Business and the Toys and Hobby Business enjoyed favorable performance, and the Group’s wide-ranging business portfolio has produced successful outcomes, including the swift implementation of various measures to adapt to the changes in customer lifestyles and preferences in each business.

Consequently, the Group’s consolidated results for the fiscal year ended March 31, 2022 were net sales of 889,270 million yen (year-on-year increase of 20.0%), operating profit of 125,496 million yen (year-on-year increase of 48.2%), recurring profit of 133,608 million yen (year-on-year increase of 52.5%), and profit attributable to owners of parent of 92,752 million yen (year-on-year increase of 89.7%).

## (ii) Outline of Business by Business Segment

(Millions of yen)

Business Segment	Net Sales			Operating Profit (Loss)		
	Year Ended March 31, 2021	Year Ended March 31, 2022	Change	Year Ended March 31, 2021	Year Ended March 31, 2022	Change
Digital	337,964	378,173	Increase of 40,208	56,776	69,634	Increase of 12,858
Toys and Hobby	300,815	373,625	Increase of 72,809	39,086	52,319	Increase of 13,233
Visual and Music	34,219	53,941	Increase of 19,721	1,549	5,698	Increase of 4,149
Creation	28,213	37,564	Increase of 9,351	2,740	2,830	Increase of 89
Amusement	63,923	82,344	Increase of 18,421	(8,379)	4,051	Increase of 12,431
Other	24,655	27,667	Increase of 3,011	602	347	Decrease of 255
Eliminations and Corporate	(48,887)	(64,045)	Decrease of 15,158	(7,720)	(9,384)	Decrease of 1,664
Consolidated	740,903	889,270	Increase of 148,366	84,654	125,496	Increase of 40,841

(Note) As the Group changed its classification of business segments on April 1, 2021, the figures for the previous fiscal year have been restated according to the current classifications.

### Digital Business

As for the Digital Business, home video games enjoyed favorable performance with the strong sales of new home video game titles such as *ELDEN RING* and *Tales of ARISE* for worldwide distribution and strong repeat sales of existing titles due to ongoing measures targeting users. In addition, in network content, new titles enjoyed favorable debuts and the performance of key titles was stable, but the favorable levels seen in the previous fiscal year were not reached. During the fiscal year ended March 31, 2022, initial expenses, such as development expenses, increased due to the increase of launches of new major titles in comparison to the previous fiscal year.

As a result, net sales in the Digital Business were 378,173 million yen (year-on-year increase of 11.9%), and operating profit was 69,634 million yen (year-on-year increase of 22.6%).

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

### Toys and Hobby Business

As for the Toys and Hobby Business, products for the mature fan base such as plastic models of the *Mobile Suit Gundam* series, collectible figures, and character lotteries performed favorably due to the successful outcomes produced by sales, marketing, etc. that utilize digital strategies and expansion of the Business overseas. In addition, product sales have recovered, including for prizes, etc. which were affected by the temporary closure of amusement facilities in the previous fiscal year. Moreover, in Japan, long-established IP and new IP toys as well as trading cards for overseas markets, confectionery, capsule toys and other toy related products were popular.

As a result, net sales in the Toys and Hobby Business were 373,625 million yen (year-on-year increase of 24.2%), and operating profit was 52,319 million yen (year-on-year increase of 33.9%).

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

### Visual and Music Business

As for the Visual and Music Business, in addition to the sales of IP related visual and music package software, including the *Mobile Suit Gundam* series, the *LoveLive!* series and *The iDOLM@STER* series, IP related licensing revenue contributed to performance. Furthermore, we proceeded with initiatives for new forms of live events that are suited to changes in the business environment, such as by streaming the events and utilizing new technologies, and the number of events held increased from the previous fiscal year.

As a result, net sales in the Visual and Music Business were 53,941 million yen (year-on-year increase of 57.6%), and operating profit was 5,698 million yen (year-on-year increase of 267.9%).

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

### Creation Business

As for the Creation Business, we produced new video works such as the *Mobile Suit Gundam* series and the *LoveLive!* series, but the contribution to profits was limited due to the business model of recording initial expenses in advance. Although licensing revenue was strong due to increased popularity of *Gundam*, etc., *GUNDAM FACTORY YOKOHAMA*, which disseminates information on IP, was impacted by the spread of COVID-19.

As a result, net sales in the Creation Business were 37,564 million yen (year-on-year increase of 33.1%), and operating profit was 2,830 million yen (year-on-year increase of 3.3%).

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

### Amusement Business

As for the Amusement Business, despite the impact of the spread of COVID-19, there were signs of recovery with net sales of existing amusement facilities in Japan increasing 115.5% compared with the previous fiscal year, and amusement facilities in Europe and Asia also recovered compared with the previous fiscal year. For the Amusement Business, in addition to continuing to improve efficiency, we will aim to strengthen the revenue base by promoting initiatives that only Bandai Namco can offer, such as strengthening the use of Group products and services.

As a result, net sales in the Amusement Business were 82,344 million yen (year-on-year increase of 28.8%), and operating profit was 4,051 million yen (operating loss for the previous fiscal year was 8,379 million yen).

Description of Business
Planning, development, production, and sales of amusement machines, and planning and operation of amusement facilities, etc.

### Other Businesses

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

As a result, net sales in the Other Businesses were 27,667 million yen (year-on-year increase of 12.2%), and operating profit was 347 million yen (year-on-year decrease of 42.4%).

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



# Sustainability at the Bandai Namco Group

Since April 2022, the Bandai Namco Group has set "Fun for All into the Future" as our Purpose and is engaged in activities to address five themes that the Group has identified as material issues that particularly need to be prioritized in order to achieve the Purpose.

## Bandai Namco's Purpose

**Fun for All into the Future**

### Sustainability Policy

Based on the IP axis strategy, the Bandai Namco Group will work together with fans to advance sustainability activities that focus on the social issues that the Group should address.

### Five Material Issues

Harmonious coexistence with the natural environment	Provision of appropriate products and services
Appropriate utilization and protection of intellectual property	Establishment of work environments that facilitate mutual respect
Harmonious coexistence with communities	

### Major SDGs that the Group will focus on



### Targets for Decarbonization

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

### Promotion System

Board of Directors of Bandai Namco Holdings

#### Group Sustainability Committee

<b>Chair</b>	President and Representative Director, Masaru Kawaguchi
<b>Participants</b>	Full-time Directors of Bandai Namco Holdings, President and Representative Director of business management companies, etc., and other designated persons
<b>Schedule</b>	Semiannually and otherwise as needed
<b>Agenda/ Objective</b>	Discussions and sharing of information related to the Group's important sustainability strategies, discussions/deliberations regarding proposals or reports to the Board of Directors, supervision of the Group Sustainability Subcommittee, supervision of progress of important items by each business segment and affiliated business company

#### Group Sustainability Subcommittee

Unit Sustainability Projects

<b>Chair</b>	CSO (Chief Sustainability Officer) of Bandai Namco Holdings
<b>Participants</b>	People in charge of sustainability at business management companies and major affiliated business companies
<b>Schedule</b>	Quarterly and otherwise as needed
<b>Agenda/ Objective</b>	Considering and advancing activities based on the Bandai Namco Group Sustainability Policy and material issues, reports on the details of the activities of each company, information exchange, discussion of various issues, etc.

(iii) Capital Expenditures

In this fiscal year, the Group carried out 27,967 million yen in capital expenditures; the funds were primarily used for investments in the manufacturing of molds associated with the production of new products and in amusement facilities and machines.

(iv) Financing

There are no matters to be noted.

(v) Status of Significant Corporate Restructuring

- Bandai Namco Holdings France S.A.S., a subsidiary of the Company, conducted an absorption-type merger on September 30, 2021, with Bandai Namco Holdings France S.A.S. as the surviving company and Bandai Namco Entertainment Europe S.A.S., which is a subsidiary of Bandai Namco Holdings France S.A.S., as the disappearing company. Bandai Namco Holdings France S.A.S. changed its name to Bandai Namco Europe S.A.S. on the same date.
- BANDAI AMERICA INC., a subsidiary of the Company, conducted an absorption-type merger on March 31, 2022, with BANDAI AMERICA INC. as the surviving company and Bandai Namco Collectibles LLC, which is a subsidiary of the Company, as the disappearing company. BANDAI AMERICA INC. changed its name to Bandai Namco Toys & Collectibles America Inc. on April 1, 2022.

(vi) Principal Lenders (As of March 31, 2022)

Lenders	Amount
MUFG Bank, Ltd.	¥7,325 million
Sumitomo Mitsui Banking Corporation	¥7,225 million
Mizuho Bank, Ltd	¥6,323 million

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

Fiscal Year Classification	14th Fiscal Year (Year Ended March 31, 2019)	15th Fiscal Year (Year Ended March 31, 2020)	16th Fiscal Year (Year Ended March 31, 2021)	17th Fiscal Year (Year Ended March 31, 2022) (This Fiscal Year)
Net sales (Millions of yen)	732,347	723,989	740,903	889,270
Operating profit (Millions of yen)	84,045	78,775	84,654	125,496
Recurring profit (Millions of yen)	86,863	79,797	87,612	133,608
Profit attributable to owners of parent (Millions of yen)	63,383	57,665	48,894	92,752
Basic earnings per share	¥288.40	¥262.39	¥222.58	¥422.09
Total assets (Millions of yen)	612,955	619,819	732,782	862,650
Net assets (Millions of yen)	429,644	454,684	511,433	584,233
Net assets per share	¥1,952.00	¥2,045.25	¥2,323.98	¥2,654.81

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other relevant ASBJ regulations from the beginning of this fiscal year, and these standards have been applied to the figures for this fiscal year.

### (3) Issues to be Addressed

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

#### (i) Issues to be Addressed Group-wide

##### To Fulfill our Corporate Social Responsibility

The Group has established our new Purpose as the ultimate definition of who we are as a Group, conveying "the reason for our existence," why we conduct our businesses and corporate activities, and the meaningfulness we derive from working at Bandai Namco Group. What we believe to be particularly important elements in our Purpose are the ideas of "connection" and "creating together," and we will achieve "Fun for All into the Future" by Bandai Namco Group and our fans (all stakeholders such as IP fans, partners, and local communities) connecting through dreams, fun and inspiration. Going forward, we as management will communicate regarding the Group's Purpose using various opportunities to deepen the understanding thereof among Group employees and to put our Purpose into practice through our business and actions.

The Group has set out the Bandai Namco Group Sustainability Policy in order to continue to provide dreams, fun and inspiration through entertainment to fans around the world and will work together with fans to promote initiatives for the realization of a sustainable society. In our Mid-term Plan, we have designated sustainability as a priority strategy and identified material issues (reselected important themes) as social issues that should be addressed by the Group. Moving forward, we will promote a detailed action plan in line with the material issues. In addition, the Group has established the Bandai Namco Group Compliance Charter as a code of conduct to be complied with by all Group employees. In accordance with these principles, the "Group Sustainability Committee" and its task force, the "Group Sustainability Subcommittee," as well as the "Group Risk Compliance Committee," the "Group Information Security Committee," and the "Internal Control Committee" hold meetings and have been striving to continuously implement a range of initiatives such as measures to address various issues, enhancement of the Group's structures, and educational activities to raise awareness in the Group.

##### To Further Strengthen the IP Axis Strategy

The Group will strive to further accelerate the evolution of its IP axis strategy in order to respond to changes in the environment such as the emergence of oligopolies in the distribution and media fields, the widespread penetration of networks, increasingly diverse platforms, technological improvements, and intensifying competition in the global market.

With regard to creation of new IP, the IP Production Unit has been consolidating its visual, music and live event know-how to strengthen its IP creation and production abilities. We will strengthen our capability for new IP creation in various ways including the creation of product

and service-originated IP and visual product-originated IP, Group collaboration initiatives, the utilization of the “Bandai Namco Content Fund,” which invests with a focus on overall optimization, and collaboration with partner companies and creators through the “DREAM SUPPORT PROJECT,” which supports next-generation creators.

Additionally, as a new initiative within the IP axis strategy to connect with fans on a deeper, broader, and more multifaceted level, we will develop a metaverse for each IP. Through the “IP Metaverse,” we will build deep, broad and multifaceted relationships between Bandai Namco and fans, as well as amongst fans themselves, over a long period of time while pursuing quality in such connections.

To maximize IP value, we will collaborate openly with all partners from a long-term perspective and promote initiatives to maximize our business and expand the potential of our IP. For IPs that expand across regions and businesses, we will endeavor to maximize IP value through Group-wide projects. Under the Mid-term Plan, we will also make strategic investments to promote various initiatives to maximize IP value.

Furthermore, in promoting the IP axis strategy, in order to conduct activities that respect IP itself and the worldviews of each IP, the Group will coordinate with partner companies and government administrations to take measures such as the elimination of counterfeit products and educational activities to protect intellectual properties.

#### To Expand our Business in the Global Market

We believe it is crucial to achieve business expansion in the global market in order for the Group to maintain continued medium- and long-term growth. To work together and advance our strategies under the ALL BANDAI NAMCO concept in regions worldwide, we have implemented initiatives such as organizational restructuring and the consolidation of locations in each business and will work to build our businesses under this structure. We will particularly focus on North America and inland China and will take steps to further bolster collaboration among businesses in the development and marketing of products and services with IP as an axis, in addition to which we use Group-wide projects to work on IPs that expand worldwide. Moreover, the Group will strengthen its IP portfolio through such measures as developing IP originating in each region in addition to the overseas distribution of IP products and services originating in Japan. Furthermore, with the aim of developing global human resources, the Group will promote development through not only recruitment of diverse human resources but also personnel exchanges and training across regions and businesses.

#### To Respond to Advances and Changes in Technology

Advances in technology including digitalization have caused more diversification in the options concerning entertainment and speedier changes in preferences and lifestyles of customers, as well as increasingly intense competition on a global scale. The Group will proactively work on new value creation, response to new platforms, and business model reforms according to preferences and lifestyles of customers, without being bound by traditional business models. The Group, will not limit these efforts to its own confines, and instead promote them by coordinating closely with Japanese and overseas partner companies, creators, etc.

## (ii) Issues Specific to Each Unit

### Entertainment Unit

#### <Digital Business>

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

#### <Toys and Hobby Business>

This Unit's industry is facing issues such as a "shrinking Japanese market due to the falling birthrate," "increasingly diverse customer needs," "geographic concentration of product manufacturing" and "increases in the cost of raw materials." This Unit is addressing these issues by aiming to take a dominant position as No. 1 in the industry in Japan, working at expanding its target demographic and creating new businesses. Overseas, it will continue to aim for medium- and long-term growth by implementing initiatives such as expanding the business in products for the mature fan base, broadening the IP portfolio, expanding sales channels, and strengthening e-commerce sales. In addition, on the development and production side, through improvements in the value chain, this Unit will work to make its product development more competitive in terms of speed and quality, along with price competitiveness. This Unit is also taking extensive steps to ensure compliance with the applicable laws and regulations, the quality and safety standards, etc. set by the industry, and other standards by enhancing quality and safety and optimizing the work environment through various initiatives including the establishment of our own stricter quality standards and the implementation of periodic CoC (Code of Conduct) audits on the factories of contracted manufactures. This Unit has established its own product manufacturing operations in multiple countries, including Japan, Thailand, the Philippines, and Vietnam, and in addition, it strives for a wide distribution of geographic locations for contracted manufacturing on the strict precondition of always assuring quality standards.

### IP Production Unit

This Unit's industry is facing issues such as "intensification of competition in IP creation" and "developing and securing excellent human resources." To address these issues, it will consolidate its visual, music, and live event know-how and functions through restructuring the organizations within the Unit to strengthen the more diverse capabilities to create IP which enable it to produce a synergy effect through collaboration not only within the Unit but also with various businesses of the Group and external partners. In addition, it will invest aggressively in enhancing our visual production and production technologies, improve the environment and structure of production sites, developing creators, and strengthen collaboration between our partners, both internal and external, and creators. It will also work to create new entertainment that fuses visuals, music, and live events and digital technology.

### Amusement Unit

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

We ask for our shareholders' further assistance and guidance.

(Note) "(3) Issues to be Addressed" describes the new business segments that took effect on April 1, 2022.

(4) Important Parent Company and Subsidiaries (As of March 31, 2022)

(i) Status of the Parent Company

Not applicable.

(ii) Important Subsidiaries

Name of Company	Capital	Ownership Ratio	Description of Principal Business
Bandai Namco Entertainment Inc.	¥10,000 million	100.0%	Planning, distribution, and sales of entertainment content such as network content and home video games
BANDAI CO., LTD.	¥10,000 million	100.0%	Planning, development, production, and sales of toys, capsule toys, cards, candy toys, confectionery and foods, apparel, sundries, etc.
Bandai Namco Arts Inc.	¥300 million	100.0%	Planning, production, and management of visual and music content; artist discovery and development; production of live events, etc.
SUNRISE INC.	¥300 million	100.0%	Planning and production of animations; management and administration of copyrights
Bandai Namco Amusement Inc.	¥100 million	100.0%	Planning, development, operation and sales of facilities, machines and services related to real entertainment
Bandai Namco Holdings USA Inc.	US\$ 10	100.0%	Pure holding company as regional headquarters in the Americas
Bandai Namco Europe S.A.S.	€ 21,690 thousand	100.0%	Business holding company as regional headquarters in continental Europe Planning, distribution, and sales of home video games and network content
Bandai Namco Holdings Asia Co., Ltd.	HK\$ 255,282 thousand	100.0%	Pure holding company as regional headquarters in Asia (excluding China)
Bandai Namco Holdings China Co., Ltd.	RMB 189,964 thousand	100.0%	Pure holding company as regional headquarters in China
Bandai Namco Holdings UK Ltd.	£ 60,000 thousand	100.0%	Pure holding company as regional headquarters in Europe

- (Notes) 1. Bandai Namco Arts Inc. carried out a capital reduction of 1,882 million yen in March 2022. In addition, it transferred its film business to SUNRISE INC. as a result of an absorption-type company split in April 2022. In line with the absorption-type company split, Bandai Namco Arts Inc. conducted an absorption-type merger in April 2022, with Bandai Namco Arts Inc. as the surviving company and Bandai Namco Live Creative Inc. and SUNRISE Music INC. as the disappearing companies, and changed its name to Bandai Namco Music Live Inc. on the same date.
2. SUNRISE INC. conducted an absorption-type merger in April 2022, with SUNRISE INC. as the surviving company and Bandai Namco Rights Marketing Inc. as the disappearing company, and changed its name to Bandai Namco Filmworks Inc. on the same date.
3. Bandai Namco Holdings France S.A.S. conducted an absorption-type merger in September 2021, with Bandai Namco Holdings France S.A.S. as the surviving company and Bandai Namco Entertainment Europe S.A.S. as the disappearing company, and changed its name to Bandai Namco Europe S.A.S. on the same date.
4. Bandai Namco Holdings Asia Co., Ltd. carried out a capital increase of 152,282 thousand Hong Kong dollars in April 2021.
5. There are no specified wholly owned subsidiaries at the end of this fiscal year.



(5) Principal Business Offices of the Group (As of March 31, 2022)

(i) The Company

Head Office	5-37-8 Shiba, Minato-ku, Tokyo
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(ii) Principal Subsidiaries

Bandai Namco Entertainment Inc.	Minato-ku, Tokyo
BANDAI CO., LTD.	Taito-ku, Tokyo
Bandai Namco Arts Inc.	Shibuya-ku, Tokyo
SUNRISE INC.	Suginami-ku, Tokyo
Bandai Namco Amusement Inc.	Minato-ku, Tokyo
Bandai Namco Holdings USA Inc.	California, U.S.A.
Bandai Namco Europe S.A.S.	Lyon, France
Bandai Namco Holdings UK Ltd.	London, U.K.
Bandai Namco Holdings Asia Co., Ltd.	Hong Kong, China
Bandai Namco Holdings China Co., Ltd.	Shanghai, China

(6) Outline of Employees (As of March 31, 2022)

(i) Employees of the Group

Business Segment	Number of Employees	Change from the End of Previous Fiscal Year
Digital Business	3,150 (650)	Increase of 202 (Increase of 47)
Toys and Hobby Business	3,399 (2,078)	Increase of 122 (Decrease of 24)
Visual and Music Business	420 (27)	Decrease of 8 (Increase of 2)
Creation Business	506 (5)	Increase of 44 (Increase of 1)
Amusement Business	1,515 (5,146)	Decrease of 49 (Decrease of 465)
Other Businesses	812 (881)	Increase of 27 (Increase of 58)
Corporate (Common)	84 (1)	Decrease of 2 (0)
Total	9,886 (8,788)	Increase of 336 (Decrease of 381)

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

(ii) Employees of the Company

Number of Employees	Change from the End of Previous Fiscal Year	Average Age	Average Years of Service
23 (-)	Decrease of 2 (-)	47.2	19.5

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

(7) Other Important Matters of the Group

Not applicable.

## 2. Current Status of the Company

### (1) Status of Shares (As of March 31, 2022)

- (i) Total Number of Shares Issuable: 1,000,000,000 shares
- (ii) Total Number of Issued Shares: 222,000,000 shares
- (iii) Number of Shareholders: 31,753 (Decrease of 1,742 from the end of the previous fiscal year)
- (iv) Major Shareholders (Top 10 Shareholders)

Name of Shareholders	Number of Shares Held	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	47,797,400	21.72
Custody Bank of Japan, Ltd. (Trust account)	18,101,200	8.23
JP MORGAN CHASE BANK 380815	10,945,700	4.97
XIL, LTD.	6,000,000	2.73
Kyoko Nakamura	5,703,200	2.59
The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust. MUFG Bank, Ltd. account)	4,586,100	2.08
MAL Ltd.	4,400,100	2.00
Nintendo Co., Ltd.	3,845,700	1.75
KOREA SECURITIES DEPOSITORY-SAMSUNG	3,347,100	1.52
STATE STREET BANK WEST CLIENT-TREATY 505234	3,345,002	1.52

- (Notes)1. The shareholding ratio is calculated after reduction of the number of treasury stocks (1,955,976 shares).
2. Out of the above number of shares held, the numbers of shares relating to the trust business are as follows:
- |   |                   |
|---|-------------------|
| The Master Trust Bank of Japan, Ltd. (Trust account)  | 46,655,000 shares |
| Custody Bank of Japan, Ltd. (Trust account)   | 17,579,500 shares |
| The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust. MUFG Bank, Ltd. account) | 4,586,100 shares  |
3. The 4,586,100 shares owned by The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust. MUFG Bank, Ltd. account) were the shares of BANDAI CO., LTD. that were owned by UFJ Bank (currently MUFG Bank, Ltd.), entrusted for retirement and severance benefits. Those shares were exchanged with the Company's shares through the share transfer on September 29, 2005, and MUFG Bank, Ltd. directs the exercise of the voting rights pertaining to those shares.

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

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

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

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

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

## (i) Directors and Audit &amp; Supervisory Board Members (As of March 31, 2022)

Title	Name	Responsibilities in the Company and Major Concurrent Positions
Chairman and Director	Mitsuaki Taguchi	Supervising IP Production Unit
President and Representative Director	Masaru Kawaguchi	Responsible for Entertainment Unit Chairman & Director of BANDAI CO., LTD.
Director	Shuji Ohtsu	Division General Manager of Group Administrative Headquarters President and Representative Director of Bandai Namco Holdings USA Inc. President and Representative Director of Bandai Namco Business Arc Inc. President and Representative Director of Bandai Namco Will Inc.
Director	Yuji Asako	Division General Manager of the Corporate Planning Division Supervising Amusement Unit
Director	Yasuo Miyakawa	In charge of Digital Business of Entertainment Unit President and Representative Director of Bandai Namco Entertainment Inc.
Director	Satoshi Kono	In charge of Visual and Music Business of IP Production Unit President and Representative Director of Bandai Namco Arts Inc.
Director	Makoto Asanuma	In charge of Creation Business of IP Production Unit President and Representative Director of SUNRISE INC. Chairman of SUNRISE SHANGHAI CO., LTD.
Director	Hiroshi Kawasaki	In charge of Amusement Unit President and Representative Director of Bandai Namco Amusement Inc.
Director	Koichi Kawana	Outside Director (Audit and Supervisory Committee Member) of COMSYS Holdings Corporation Outside Director of TOKYO ELECTRON DEVICE LIMITED External Director of RENOVA, Inc.
Director	Satoko Kuwabara	Attorney-at-Law Partner of GAIEN PARTNERS Outside Auditor of Unicafe Inc. Outside Audit & Supervisory Board Member of Nippon Yusen Kabushiki Kaisha Outside Director of Mitsubishi UFJ Financial Group, Inc.
Director	Mikiharu Noma	Professor at Graduate School of Business Administration, Hitotsubashi University Business School Outside Auditor of Nice Corporation Outside Director of NIHON CHOUZAI Co., Ltd. Outside Director of Good Com Asset Co., Ltd.
Director	Toshio Shimada	Special Advisor of CAC Holdings Corporation
Full Time Audit & Supervisory Board Member	Masataka Nagaike	
Full Time Audit & Supervisory Board Member	Toru Shinoda	Certified Public Accountant

Title	Name	Responsibilities in the Company and Major Concurrent Positions
Audit & Supervisory Board Member	Osamu Sudoh	Attorney-at-Law Partner of Sudoh & Partners Outside Audit & Supervisory Board Member of MITSUI-SOKO HOLDINGS Co., Ltd. Outside Corporate Auditor of Pronexus Inc. Statutory Auditor of Keikyu Corporation
Audit & Supervisory Board Member	Katsuhiko Kamijo	Certified Public Tax Accountant Outside Audit & Supervisory Board Member of The Resolution and Collection Corporation Visiting Professor of Graduate School of Chiba University of Commerce

(Notes)1. Directors Koichi Kawana, Satoko Kuwabara, Mikiharu Noma and Toshio Shimada are Outside Directors.

2. Full Time Audit & Supervisory Board Member Toru Shinoda and Audit & Supervisory Board Members Osamu Sudoh and Katsuhiko Kamijo are Outside Audit & Supervisory Board Members.
3. Full Time Audit & Supervisory Board Member Toru Shinoda is a certified public accountant and has considerable knowledge of finance and accounting.
4. Audit & Supervisory Board Member Osamu Sudoh has considerable experience with bankruptcy issues as an attorney-at-law and has the deep knowledge of finance and accounting necessary to engage in such bankruptcy issues.
5. Audit & Supervisory Board Member Katsuhiko Kamijo is a certified public tax accountant and has considerable knowledge of finance and accounting.
6. The Company has appointed Outside Directors Koichi Kawana, Satoko Kuwabara, Mikiharu Noma and Toshio Shimada and Outside Audit & Supervisory Board Members Toru Shinoda, Osamu Sudoh, and Katsuhiko Kamijo as independent Directors/Audit & Supervisory Board Members as defined in the rules of the Tokyo Stock Exchange and has filed therewith the notification regarding their appointments.
7. Chairman and Director Mitsuaki Taguchi retired from the Chairman position on March 31, 2022, and his position changed on April 1, 2022.
8. President and Representative Director Masaru Kawaguchi retired from office as Chairman & Director of BANDAI CO., LTD. on March 31, 2022.
9. Director Shuji Ohtsu retired from office as President and Representative Director of Bandai Namco Holdings USA Inc. on March 31, 2022.
10. Bandai Namco Arts Inc. transferred its film business to SUNRISE INC. as a result of an absorption-type company split on April 1, 2022. In line with the absorption-type company split, Bandai Namco Arts Inc. conducted an absorption-type merger on April 1, 2022, with Bandai Namco Arts Inc. as the surviving company and Bandai Namco Live Creative Inc. and SUNRISE Music INC. as the disappearing companies, and changed its name to Bandai Namco Music Live Inc. on the same date. Furthermore, Director Satoshi Kono took office as Executive Vice President and Director of Bandai Namco Filmworks Inc. on April 1, 2022.
11. SUNRISE INC. conducted an absorption-type merger on April 1, 2022, with SUNRISE INC. as the surviving company and Bandai Namco Rights Marketing Inc. as the disappearing company, and changed its name to Bandai Namco Filmworks Inc. on the same date.

(ii) Summary of Contracts Concerning Limited Liability

Not applicable.

(iii) Summary of the Contents of the Indemnification Agreement

Not applicable.

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

The Company concluded an insurance policy with an insurance company, under which Directors, Audit & Supervisory Board Members, Executive Officers, and those in a managerial or

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

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

Not applicable.

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

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

	Total Amount  (Millions of yen)	Fixed remuneration		Variable remuneration			
		Monetary Compensation				Non-monetary Compensation	
		Base Remuneration		Performance-based Bonuses		Performance-based Stock Compensation	
		Number of People	Total Amount (Millions of yen)	Number of People	Total Amount (Millions of yen)	Number of People	Total Amount (Millions of yen)
Directors (Outside Directors)	774 (54)	10 (5)	305 (54)	4 (-)	302 (-)	4 (-)	165 (-)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	67 (43)	4 (3)	67 (43)	- (-)	- (-)	- (-)	- (-)
Total (Outside Directors and Outside Audit & Supervisory Board Members)	841 (97)	14 (8)	373 (97)	4 (-)	302 (-)	4 (-)	165 (-)

- (Notes) 1. There are no employees serving as Directors.
2. At the Tenth Ordinary General Meeting of Shareholders held on June 22, 2015, it was resolved that the remuneration limit for Directors would be 850 million yen per fiscal year (including a maximum of 60 million yen for Outside Directors), of which 400 million yen would be for base remuneration and the remaining 450 million yen would be for cash bonuses. The number of Directors as of the close of the Ordinary General Meeting of Shareholders was 10 (including three Outside Directors). It was also resolved at the Sixteenth Ordinary General Meeting of Shareholders held on June 21, 2021 that, in addition to that remuneration limit, the Company would provide monetary compensation claims and cash for delivering common stock of the Company as performance-based stock compensation, with an upper limit that would be the amount obtained by multiplying 45,000 shares by the Delivery Share Price per year. The number of Directors as of the close of the Ordinary General Meeting of Shareholders was 12 (including four Outside Directors). The Delivery Share Price is the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution at the Board of Directors Meeting to deliver the Company's common stock related to the performance-based stock compensation plan to be held within two months from the date of the ordinary general meeting of shareholders pertaining to the evaluation

fiscal year (if the Company's shares were not traded on that day, the closing price on the last day the shares were traded prior to that).

3. The performance-based stock compensation portion of the above-mentioned amount of remuneration, etc. shall be calculated based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on March 31, 2022, and when making actual payment, the Delivery Share Price will be applied.
  4. At the Ordinary General Meetings of Shareholders for BANDAI CO., LTD. and NAMCO LIMITED (currently Bandai Namco Entertainment Inc.) held on June 23, 2005 and on June 25, 2005 respectively, it was resolved that the remuneration limit for Audit & Supervisory Board Members shall be 8 million yen per month. The number of Audit & Supervisory Board Members as of the close of the General Meeting of Shareholders was four.
  5. Each Director contributes a fixed proportion of the above base remuneration to the shareholding association for directors and officers to purchase the Company's shares and continues to hold such shares during his or her term of office.
  6. The above performance-based stock compensation is stated in the amount recorded as expenses in this fiscal year and 50% of which is planned to be paid in cash. The Company plans to deliver 9,000 shares to four Directors.
- b. Policy and Procedures for Determining Remuneration, etc. for Directors

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

(i) Basic policy

The basic policy of the remuneration system for Directors excluding Outside Directors of the Company 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 Outside Directors of the Company comprises base remuneration only, to ensure their independence from the Company, and the amount of remuneration for each Outside Director is determined by the Board of Directors.

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

(ii) Base remuneration

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

(iii) Performance-based remuneration

As for variable remuneration of the Company, both performance-based bonuses and performance-based stock compensation use consolidated operating profit of the Group as an indicator with the aim of directly reflecting the evaluation on management efforts by the management team of the Group in the amount of remuneration to be paid.



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

(iv) Stock compensation

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

(v) Remuneration structure

Remuneration criteria and ratios are determined by utilizing a management remuneration database with which data on remuneration is aggregated and analyzed by an external specialist organization, setting objective benchmarks in light of the scale of the Company’s business operations and other factors, and comprehensively taking into consideration the proportion of fixed remuneration and variable remuneration in annual total remuneration and the proportion of medium- to long-term remuneration in variable remuneration. If the predetermined base business performance has been achieved, the ratio of fixed remuneration to variable remuneration in annual total remuneration will be about 50 to 50, and the proportion in annual total remuneration of stock-based remuneration, that is, the sum of the contribution of a fixed proportion of the base remuneration to the shareholding association for directors and officers and performance-based stock compensation, will be slightly more than 20%.

(vi) Procedures for determining remuneration

The policy, framework, and performance-based mechanism for remuneration for Directors excluding Outside Directors of the Company will be determined by the Board of Directors after receiving opinions from the Personnel Committee, which is chaired by an Outside Director and of which a majority of the members are Outside Directors (independent Outside Directors), in order to seek the appropriate involvement and advice of the Outside Directors.

(Note) In accordance with the Mid-term Plan starting from the fiscal year ending March 2023, the Company has reviewed the remuneration system for Directors and made revisions such as changing the remuneration limit in connection with the transition to a company with an audit & supervisory committee, strengthening the linkage between remuneration and performance, introducing sustainability evaluations and revising the performance-based stock compensation plan, and the Company has made proposals regarding the remuneration, etc. of Directors to this General Meeting of Shareholders as Proposal No. 5,

Proposal No. 6 and Proposal No. 7 (please refer to pages 33 to 43 of the Reference Documents for the General Meeting of Shareholders). Subject to the approval and adoption of these proposals, the Company will amend its policy for determining the composition of remuneration, etc. for individual Directors so that it will be consistent with the content of these proposals.

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

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

Consolidated operating profit for the fiscal year ended March 31, 2022 was 125,496 million yen, and based on the percentage achieved against the baseline business performance for this fiscal year, the payment ratio of performance-based bonuses (portion based on evaluation on the consolidated operating profit of the Group) was 200% and the payment ratio of performance-based stock compensation was 100%.

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

When determining the composition of remuneration, etc. of individual Directors, the Personnel Committee, which is chaired by an Outside Director and of which a majority of the members are Outside Directors (independent Outside Directors), examines the original proposal from diverse viewpoints, including consistency with the determination policy, and thus the Board of Directors respects the opinions of the Committee and considers that it is basically consistent with the determination policy.

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

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

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

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

Major concurrent positions of Outside Directors and Outside Audit & Supervisory Board Members are as stated in “(i) Directors and Audit & Supervisory Board Members” on pages 60 and 61.

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

b. Main Activities in This Fiscal Year

(Directors)

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

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

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

	Board of Directors Meetings (Held 18 times)		Overview of Duties Performed Regarding Expected Roles
	Number of Meetings Attended	Attendance Rate	
Toshio Shimada	14	100.0%	<p>We expect that he will utilize the insight gained from his experience of being involved in management as the head of a company and his extensive knowledge in digital technology to fulfill a role in which, from an objective standpoint independent of the management team, he proactively provides advice in a variety of contexts, including the formulation of management strategy, the digital transformation (DX) strategy in particular, of the Company, and drives decision-making on the appointment and remuneration of the management team members that is based on objective and reasonable evaluations of their business performance.</p> <p>During this fiscal year, he fulfilled the expected roles and proactively provided advice at Board of Directors Meetings, etc. In addition, he attended all meetings after his appointment as a Director, attending six out of seven meetings of the Personnel Committee held during this fiscal year as a committee member and was involved in deliberations regarding the appointment and remuneration of the management team members, and contributed to decision-making on the appointment and remuneration of the management team members based on objective and reasonable evaluations of their business performance. Furthermore, he attended an Independent Directors and Audit &amp; Supervisory Board Members Committee meeting held once during this fiscal year, and evaluated the appropriate functioning of the Board of Directors from an objective perspective.</p>

(Note) Mr. Toshio Shimada was elected at the Sixteenth Ordinary General Meeting of Shareholders held on June 21, 2021, and thus, the number of Board of Directors Meetings on which his attendance rate is based differs from that of other Outside Directors. Board of Directors Meetings were held 14 times after he assumed the office of Director.

(Audit & Supervisory Board Members)

	Board of Directors Meetings (Held 18 times)		Audit & Supervisory Board Meetings (Held 15 times)		Statements Made at Board of Directors Meetings and Audit & Supervisory Board Meetings
	Number of Meetings Attended	Attendance Rate	Number of Meetings Attended	Attendance Rate	
Toru Shinoda	18	100.0%	15	100.0%	Provided advice and proposals by giving opinions, etc. primarily from his position as a certified public accountant to ensure the appropriateness and validity of decisions of the Board of Directors and the Audit & Supervisory Board.
Osamu Sudoh	16	88.9%	14	93.3%	Provided advice and proposals by giving opinions, etc. primarily from his position as an attorney-at-law to ensure the appropriateness and validity of decisions of the Board of Directors and the Audit & Supervisory Board.
Katsuhiko Kamijo	18	100.0%	15	100.0%	Provided advice and proposals by giving opinions, etc. from his profound scholarly knowledge and perspective accumulated through his wealth of experience as certified public tax accountant to ensure the appropriateness and validity of decisions of the Board of Directors and the Audit & Supervisory Board.

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

Not applicable.

(3) Accounting Auditors

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

	Amount of Remuneration, etc.
Amount of Remuneration, etc. for Accounting Auditors for This Fiscal Year	¥104 million
Total in Money and Other Financial Benefits to Be Paid by the Company and Its Subsidiaries to Accounting Auditors	¥316 million

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

(iii) Non-Auditing Operations

Not applicable.

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

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

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

(v) Summary of Contracts Concerning Limited Liability

Not applicable.

(vi) Summary of the Contents of the Indemnification Agreement

Not applicable.



#### (4) Basic Policy Concerning Control of the Company

##### (i) Content of Basic Policy

###### The Corporate Value of the Group

In accordance with Bandai Namco's Purpose, which is the ultimate definition of the Group, we will aim to have Bandai Namco always meet the needs of IP fans, a wide range of business partners, Group employees, and communities around the world and to foster deep, broad, multifaceted connections.

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

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

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

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

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

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

##### (ii) Details of Engagement

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

###### Steps to Increase the Corporate Value of the Group

###### · Promoting the Mid-term Plan

Under the three-year Mid-term Plan started in April 2018, the Group aimed to evolve the IP axis strategy further and achieve penetration and expansion in global markets. At the same time, we also pursued various strategies in order to strengthen development in regions and businesses with high growth potential going forward. As we postponed the start of the new Mid-term Plan by one year due to drastic environmental changes, we designated the one year starting April 2021 as a period for developing the business foundation and organizational structure to pursue strategies for the next Mid-term Plan and promoted various initiatives to examine strategies, restructure organizations, and strengthen cooperation among businesses.

From April 2022, the new three-year Mid-term Plan began under the Group Purpose, with Bandai Namco aiming to connect with a wide range of stakeholders including IP fans, business partners, Group employees and communities around the world on a deeper, broader, and more multifaceted level. Under the Mid-term Plan, the Group is committed to progressing toward a new stage as an entertainment corporate group and enhancing its corporate value by implementing its priority strategies, namely the IP axis strategy, personnel strategies, and sustainability, based on the Mid-term Vision to “Connect with Fans.”

- **Strengthening Corporate Governance**

The president and representative director of each business management company responsible for each Unit holds concurrent positions within the Group, such as serving as a Director of the Company. This contributes to strengthening the collaborative efforts between the holding company and the operating companies and between the operating companies and to facilitating speedier decision-making as a group. In addition, the Company will transition from a company with an audit & supervisory board to a Company with an audit & supervisory committee, subject to approval at this General Meeting of Shareholders, in order to strengthen its corporate governance system and further enhance corporate value through speedy decision-making and business execution. After its transition to a company with an audit & supervisory committee, the Company will work to strengthen management oversight functions by appointing five Outside Directors out of 14 total Directors and also making sure that all of the Outside Directors are independent Outside Directors. In addition, the Company has organized an Independent Directors and Audit & Supervisory Committee Members Committee with the aim of evaluating the appropriate functioning of the Board of Directors from an objective perspective. The Independent Directors and Audit & Supervisory Board Members Committee comprises independent Directors and Audit & Supervisory Board Members only, and its secretariat functions are entrusted to a third-party specialist organization. In this way, the Company retains a more highly effective supervisory function over the Board of Directors.

- **Promoting Efficient Management**

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

- **Reinforcing Personnel Strategies**

In accordance with our Purpose, the Group strives to be a community of “Same Spirit, Diverse Talents,” where diverse companies and 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 or nationality, in addition to which we have focused on developing 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 to support challenges taken on by employees and the development of human resources to promote the IP axis strategy on a global scale, as well as new and diverse ways to work.

- **Reinforcing Sustainability Activities**

In accordance with our Purpose, the Group will promote sustainable activities for the realization of a sustainable society with fans. In April 2021, the Group formulated the “Bandai Namco Group Sustainability Policy” to, under the IP axis strategy, work with fans to promote sustainability activities corresponding to social issues that should be addressed by

the Group. In our Mid-term Plan, we have designated sustainability as a priority strategy and identified material issues (reselected important themes) as new themes in society that should be addressed by the Group. Moving forward, we will promote a detailed action plan in line with the material issues and work toward achieving targets that has been set for reducing energy-related carbon dioxide emissions.

- Proactive IR Activities

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

- Proactive Policy for the Return of Profits to Shareholders

The Company ranks the return of profits to shareholders as one of its highest priorities in its management. The Company aims to further strengthen the Group's competitiveness and, while maintaining a sound financial status, to achieve regular distributions of dividends and improvement in the Company's corporate value. Specifically, the Company follows a basic policy of providing a return to shareholders that targets a total return ratio of 50% or more based on stable dividend payments of 2% of DOE (dividends on equity). Under this policy, the Company strives to maintain long-term and stable dividends and be more aware of capital cost.

#### Takeover Defense Measures

At present, the Company has not introduced any specific takeover defense measures. The Group regards implementing our management and business strategies in accordance with the measures to increase the corporate value of the Group and aiming to increase the corporate value of the Group as a whole as a substantial defense against inappropriate takeovers. That said, since we are entrusted by shareholders with the management of the Group, we will work on studying and developing a system for takeover defense, with a close eye on legal and social trends, in anticipation of situations in which an inappropriate entity or person might emerge to have decision-making power over the Company's financial and business policies. In concrete terms, in the event an inappropriate bidder emerges, the management team will not take steps to guard its own interests against the takeover offer by the bidder, but will sufficiently deliberate the matter at the Board of Directors Meetings after referring the matter to the Independent Directors and Audit & Supervisory Board Members Committee for their review from objective viewpoints, to enable the Company to make a judgment from the perspective of improving corporate value first. The Company will also work to collect sufficient information and secure necessary time, so as to be conducive to appropriate judgment by the shareholders.

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

(5) Systems for Ensuring the Properness of Operations and Operating Status of the Systems  
(As of March 31, 2022)

Systems for Ensuring the Properness of Operations

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

- (i) Systems to Ensure that the Execution of the Duties by Directors, etc. and Employees of the Company and Its Subsidiaries Is in Compliance with the Laws and Regulations and the Articles of Incorporation
  - a. The Company shall set in place the Group's Corporate Philosophy and Group Compliance Charter, ensure that Directors and employees of the Company and its subsidiaries are familiar with them, and always pay due attention to ensure they carry out their duties lawfully and fairly.
  - b. Directors of the Company shall report periodically to the Board of Directors on the structure and operating status of internal control systems.
  - c. The Company shall install a Director in charge of compliance who is responsible for supervision of compliance overall based on its compliance regulations, and establish a structure ensuring that the Company and the entire Group abides by the law, behaves ethically, and complies with internal regulations.
  - d. Should violations of compliance or suspicions thereof occur within the Group, the Company shall immediately convene the Group Risk Compliance Committee with the Company's President and Representative Director as its chair to discuss and decide how the issue should be handled.
  - e. Overseas, an overseas regional headquarters shall be determined for each region to manage risk and support compliance.
  - f. Internal reporting systems including an internal consultation point, an external consultation point comprising external legal advisors, etc., and the Audit & Supervisory Board Members hotline, which enables reporting directly delivered to the Audit & Supervisory Board Members, shall be put in place in the Company and its major subsidiaries.
  - g. The Internal Auditing Division shall be established independently of the executive sections in the Company and its major subsidiaries to work towards maintaining the properness of execution of operations through internal audits.
- (ii) Systems for Preserving and Managing Information Related to Directors' Execution of Their Duties
  - a. The Company shall establish regulations concerning document management and ensure (i) the centralized collection and management of minutes of several kinds of meetings, contracts and other documents, and (ii) appropriate safekeeping and management of important documents including documents circulated for approval in each department. The Company shall have a system to ensure that Directors and Audit & Supervisory Board Members may peruse those documents at any time.
  - b. The Company shall establish regulations concerning information security as a part of Group management. These regulations will provide for a system to ensure appropriate safekeeping and preservation of information.

- (iii) Regulations Concerning Management for Risk of Loss of the Company and Its Subsidiaries and Other Systems
  - a. The Company shall establish regulations concerning risk management and compliance as a part of Group management. Throughout the Group, we will work to prevent risk and to discover risk factors as rapidly as possible.
  - b. When risk arises, the Company shall convene the Group Risk Compliance Committee without delay to minimize the impact of risk on our business by responding to risk quickly and in an appropriate manner.
  - c. Anticipating the occurrence of situations that could cause drastic damage to the management of the Group through a major disaster or the like, the Group shall define the basic policy for a Business Continuity Plan (BCP) for the Group, and formulate a BCP for the Group and organize a Business Continuity Management (BCM) system to achieve rapid recovery and restart of operations. Directors and employees of the Company and its subsidiaries shall be made aware of this.
  
- (iv) Systems to Ensure That Directors, etc. of the Company and Its Subsidiaries Execute Their Duties Efficiently
  - a. The Company shall assign each subsidiary into Units categorized by business segment, and appoint a Director and business management company in charge of each Unit in order to improve efficiency of business operations based on the division of duties, chain of command structure, authorities and competencies, decision making frameworks and other regulations regarding structure within the Group.
  - b. The Company shall formulate a Mid-term Plan with a period of three business years for the entire Group and each Unit, and determine the budget for each business year based on those Mid-term Plans.
  
- (v) Systems Concerning Reporting Matters Regarding Execution of Duties of Directors, etc. of Subsidiaries to the Company
  - a. The Company shall establish meetings such as Group Business Report Meetings and Group Management Meetings, and put in place a system for reporting inside the Group and decision making.
  
- (vi) Other Systems to Ensure Proper Business Behavior by the Company and Its Subsidiaries
  - a. The Company shall revise the Group Compliance Charter as appropriate in response to revisions to laws and regulations and changes in the social context surrounding the Group, and shall ensure that the contents of the Charter are made thoroughly known to Directors, etc. and employees of the Company and its subsidiaries through distributing the Compliance Book and through training.
  - b. The Company and its subsidiaries shall endeavor to improve and standardize business processes considering the importance of effectiveness and efficiency in business operations, and shall evaluate and operate internal controls on financial reporting based on related laws and regulations, etc.

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

- (xii) Other Systems to Ensure the Effectiveness of Audits Conducted by the Audit & Supervisory Board Members
- a. Directors of the Company shall formulate a system whereby Audit & Supervisory Board Members can attend important meetings, and ensure that a system exists whereby they can meet periodically or on an ad hoc basis with Directors and employees, and cooperate with Internal Audit Division and Accounting Auditors.
  - b. Subsidiaries of the Company shall install an appropriate number of Audit & Supervisory Board Members according to their scale, business category, etc., and ensure that there are systems in place wherein Audit & Supervisory Board Members of subsidiaries report periodically to the Audit & Supervisory Board Members of the Company.

## Operating Status of Systems for Ensuring the Properness of Operations

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

### 1. Overall Internal Control Systems

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

In order to further enhance its corporate value by carrying out swifter decision-making and business execution while strengthening the corporate governance system, the Company will transition from a company with an audit & supervisory board to a company with an audit & supervisory committee subject to approval at the Seventeenth Ordinary General Meeting of Shareholders. After the Company transitions to a company with an audit & supervisory committee, five of the Company's fourteen Directors will be Outside Directors, and the Company will work to strengthen management oversight functions by making sure that all of the Outside Directors are independent Outside Directors.

### 2. Compliance and Risk Management

In order to ensure abidance of laws, respect of ethical behavior, and compliance with internal regulations, the Company has set in place the Group Compliance Charter to define behavioral guidelines for Directors, etc. and employees of the Company and its subsidiaries, and is working to ensure that they are familiar with the Charter, through putting up posters and distributing a Compliance Book. In addition, the Director in charge of compliance of the Company strives to strengthen the compliance systems by carrying out management of the overall compliance of the Group and periodical training using e-learning tools and other programs. The Company also investigates the degree of actual awareness through distributing surveys on compliance awareness to all employees of the Company and its subsidiaries and strives to enhance compliance awareness by sharing the results of the survey with each subsidiary director in charge of compliance. Furthermore, the Company has established and operates a whistle-blowing system to provide a point of contact for internal and external consultations and an Audit & Supervisory Board Members Hotline to allow direct reporting to Audit & Supervisory Board Members. The Company and its major subsidiaries have also included provisions in their internal regulations to ensure the protection of whistleblowers.

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

Should violations of compliance occur or risk arise, a meeting of the Group Risk Compliance Committee, chaired by the President and Representative Director, is convened immediately to ensure a quick and appropriate response. Every month, the Group



Compliance Committee Secretariat reports to the Board of Directors any information on compliance and risk and how they have been managed in the Company and its subsidiaries.

3. Subsidiary Business Management

The Company assigns each subsidiary into three Units and five Businesses categorized by business segment, and appoints a Director and a business management company in charge of each Unit and Business in order to improve efficiency of business operations based on the division of duties, chain of command structure, authorities and competencies, decision making frameworks and other regulations regarding structure within the Group. The Group Business Report Meetings (held three times this fiscal year) and the Group Management Meetings (held nine times this fiscal year) are convened regularly to allow information sharing across the Group and facilitate discussions relating to various issues. The Company has also established and controls a business management system at subsidiaries, with a central role played by the Company's Corporate Planning Department, and monitors progress every month through a review of the Mid-term Plans and business performance across the Group and at each Unit and Business. In addition, the Company's Internal Auditing Division efficiently monitors the Group's internal controls through regular internal audits of the subsidiaries.

4. Execution of Duties by Directors

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

In addition, some of the authority for the execution of duties has been delegated from the Board of Directors to a new meeting body (Full-Time Officers Committee) from April 2022 to build a system that will enable even swifter decision-making and execution of duties in the fast-changing entertainment market.

5. Audits by the Audit & Supervisory Board Members

The Audit & Supervisory Board Members of the Company attend key meetings at the Company and the major subsidiaries, including the Board of Directors Meeting and the Group Business Report Meetings, and audit the execution of duties by Directors and compliance with laws and regulations and the Articles of Incorporation. The Audit & Supervisory Board Meetings convened 15 times this fiscal year, allowing the Audit & Supervisory Board Members to exchange opinions and share information on important matters. The Audit & Supervisory Board Members also meet regularly or as needed with the Directors of the Company, Internal Auditing Divisions, the Audit & Supervisory Board Members of subsidiaries and the Accounting Auditors to ensure the audits conducted by the Audit & Supervisory Board Members are effective and efficient.

**Consolidated Balance Sheet**  
(As of March 31, 2022)

	(Millions of yen)
	Amount
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and time deposits	279,401
Trade receivables and contract assets	122,742
Finished goods and merchandise	33,051
Work in process	86,292
Raw materials and supplies	4,905
Other current assets	52,814
Allowance for doubtful receivables	(2,001)
<b>Total current assets</b>	<b>577,206</b>
<b>Fixed assets</b>	
<b>Property, plant and equipment</b>	
Buildings and structures	17,017
Amusement facilities and machines	6,672
Land	42,869
Other property, plant and equipment	25,890
<b>Total property, plant and equipment</b>	<b>92,450</b>
<b>Intangible assets</b>	
Goodwill	14,887
Other intangible assets	19,540
<b>Total intangible assets</b>	<b>34,428</b>
<b>Investments and other assets</b>	
Investment securities	113,261
Deferred tax assets	25,732
Net defined benefit asset	525
Other investments and assets	19,831
Allowance for doubtful receivables	(784)
<b>Total investments and other assets</b>	<b>158,565</b>
<b>Total fixed assets</b>	<b>285,443</b>
<b>TOTAL ASSETS</b>	<b>862,650</b>

	(Millions of yen)
	Amount
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Trade payables	99,810
Short-term borrowings	10,810
Accrued income taxes	22,891
Contract liabilities	22,912
Provision for directors' bonuses	2,180
Other provision	1,565
Other current liabilities	83,191
<b>Total current liabilities</b>	<b>243,362</b>
<b>Long-term liabilities</b>	
Long-term borrowings	10,236
Other provision	249
Net defined benefit liability	5,261
Deferred tax liabilities for land revaluation	199
Other long-term liabilities	19,106
<b>Total long-term liabilities</b>	<b>35,053</b>
<b>TOTAL LIABILITIES</b>	<b>278,416</b>
<b>NET ASSETS</b>	
<b>Stockholders' equity</b>	
Common stock	10,000
Capital surplus	52,574
Retained earnings	482,147
Treasury stock	(2,140)
<b>Total stockholders' equity</b>	<b>542,581</b>
<b>Accumulated other comprehensive income</b>	
Valuation difference on available-for-sale securities, net of tax	45,037
Deferred gains or losses on hedges, net of tax	901
Revaluation reserve for land, net of tax	(4,016)
Foreign currency translation adjustments	1,886
Remeasurements of defined benefit plans, net of tax	(2,394)
<b>Total accumulated other comprehensive income</b>	<b>41,413</b>
<b>Non-controlling interests</b>	<b>237</b>
<b>TOTAL NET ASSETS</b>	<b>584,233</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>862,650</b>

**Consolidated Statements of Operations**  
(From April 1, 2021 to March 31, 2022)

	(Millions of yen)	
	Amount	
<b>Net sales</b>		<b>889,270</b>
<b>Cost of sales</b>		<b>533,004</b>
<b>Gross profit</b>		<b>356,265</b>
Selling, general and administrative expenses		230,769
<b>Operating profit</b>		<b>125,496</b>
<b>Non-operating income</b>		
Interest income	217	
Dividend income	1,236	
Foreign exchange gains	5,519	
Other non-operating income	2,363	9,337
<b>Non-operating expenses</b>		
Interest expense	377	
Loss on valuation of derivatives	244	
Provision of allowance for doubtful accounts	369	
Other non-operating expenses	233	1,225
<b>Recurring profit</b>		<b>133,608</b>
<b>Extraordinary income</b>		
Gain on sales of fixed assets	3,318	
Subsidies for employment adjustment and other related to COVID-19	909	
Other extraordinary income	469	4,697
<b>Extraordinary loss</b>		
Loss on impairment of fixed assets	2,994	
Extra retirement payments	1,257	
Loss on disposal of fixed assets	994	
Other extraordinary loss	2,176	7,423
<b>Profit before income taxes</b>		<b>130,882</b>
Income taxes - current	38,216	
Income taxes for prior periods	6,792	
Income taxes - deferred	(6,713)	38,295
<b>Profit</b>		<b>92,587</b>
Loss attributable to non-controlling interests		(165)
<b>Profit attributable to owners of parent</b>		<b>92,752</b>

## Consolidated Statement of Changes in Net Assets (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at beginning of year	10,000	52,232	414,487	(3,905)	472,814
Cumulative effects of changes in accounting policies			179		179
Restated balance	10,000	52,232	414,666	(3,905)	472,993
Changes during the period					
Cash dividends			(25,271)		(25,271)
Profit attributable to owners of parent			92,752		92,752
Change of scope of consolidation - foreign currency translation adjustment					-
Change in ownership interest of parent due to transactions with non-controlling interests		(108)			(108)
Purchase of treasury stock				(8)	(8)
Disposal of treasury stock		451		1,772	2,224
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied				0	0
Net changes of items other than stockholders' equity					
Total changes during the period	-	342	67,480	1,764	69,588
Balance at end of year	10,000	52,574	482,147	(2,140)	542,581

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities, net of tax	Deferred gains or losses on hedges, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income		
Balance at beginning of year	51,587	988	(4,016)	(7,438)	(3,419)	37,701	917	511,433
Cumulative effects of changes in accounting policies								179
Restated balance	51,587	988	(4,016)	(7,438)	(3,419)	37,701	917	511,612
Changes during the period								
Cash dividends								(25,271)
Profit attributable to owners of parent								92,752
Change of scope of consolidation - foreign currency translation adjustment				160		160		160
Change in ownership interest of parent due to transactions with non-controlling interests							(482)	(591)
Purchase of treasury stock								(8)
Disposal of treasury stock								2,224
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied								0
Net changes of items other than stockholders' equity	(6,549)	(87)	-	9,164	1,025	3,552	(197)	3,355
Total changes during the period	(6,549)	(87)	-	9,324	1,025	3,712	(679)	72,620
Balance at end of year	45,037	901	(4,016)	1,886	(2,394)	41,413	237	584,233

## Notes to Consolidated Financial Statements

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

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

#### 1. Information Concerning the Scope of Consolidation

##### (1) Status of Consolidated Subsidiaries:

###### (i) Total Number of Consolidated Subsidiaries:

83 companies

###### (ii) Names of Principal Consolidated Subsidiaries:

Bandai Namco Entertainment Inc., BANDAI CO., LTD., Bandai Namco Arts Inc., SUNRISE INC., Bandai Namco Amusement Inc., Bandai Namco Holdings USA Inc., Bandai Namco Europe S.A.S., Bandai Namco Holdings Asia Co., Ltd., Bandai Namco Holdings China Co., Ltd., and Bandai Namco Holdings UK Ltd.

Bandai Namco Holdings France S.A.S. has changed its name to Bandai Namco Europe S.A.S.

###### (iii) Changes in the Scope of Consolidation:

As Highway Star Inc. transferred their shares, VIBE Inc. and Bandai Namco (Shanghai) Co., Ltd. were liquidated, and Bandai Namco Entertainment Europe S.A.S., Bandai Namco Amusement America Inc., and Bandai Namco Collectibles LLC were merged into consolidated subsidiaries of the Company, they are all excluded from the scope of consolidation.

##### (2) Status of Non-Consolidated Subsidiaries:

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

BANDAI LOGIPAL (H.K.) LTD.

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

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

#### 2. Information Concerning Application of the Equity Method

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

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

5 companies

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

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

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

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

BANDAI LOGIPAL (H.K.) LTD.

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

The equity method was not applied to this company, because it was deemed that the exclusion of the company from the application of the equity method would have little, and no material impact on the consolidated financial statements of the Company and it seemed unimportant as a whole in consideration of the company's profit or loss and retained earnings, etc. corresponding to the Company's equity share in it.

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

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

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

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

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

4. Accounting Policies

(1) Valuation Basis and Methods for Significant Assets:

(i) Valuation Basis and Methods for Securities:

Available-for-sale securities:

Securities other than shares, etc. that do not have a fair value:

Stated using the fair value method. (Valuation differences are reflected directly in net assets and cost of sales is calculated using the moving average method.)

Shares, etc. that do not have a fair value:

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

(ii) Derivative Transactions: Stated using the fair value method.

(iii) Valuation Basis and Methods for Inventories:

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

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

Others:

Domestic consolidated subsidiaries:

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



Overseas consolidated subsidiaries:

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

(2) Depreciation Methods for Significant Depreciable Assets:

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

The Company and domestic consolidated subsidiaries:

Generally stated using the declining-balance method.

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

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

Buildings and structures: 2 to 50 years

Amusement facilities and machines: 3 to 15 years

Overseas consolidated subsidiaries:

Stated using the straight-line method.

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

Buildings and structures: 3 to 50 years

Amusement facilities and machines: 4 to 25 years

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

Stated using the straight-line method.

The general useful life of software is as follows:

Software (used internally): 1 to 5 years

(iii) Leased Assets:

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

(iv) Right-of-use assets:

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

(3) Basis of Recognition for Significant Provision:

(i) Allowance for Doubtful Receivables:

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

(ii) Provision for Directors' Bonuses:

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

(4) Accounting Standards for Significant Income and Expense:

(i) Revenue Recognition:

The content of performance obligations and normal timing of revenue recognition for major businesses are as follows.

a. Digital Business

In the Digital Business, we mainly conduct the distribution of network content and sales of home video games.

For the distribution of network content (smartphone-based applications, etc.), in many cases, games are provided for free to customers, while items, etc. used in the game are provided at charge. The Company deems the performance obligation to be satisfied when the customer uses said items, etc. and estimates the customer's usage period, recognizing revenue over such usage period.

For sales of home video games, the Company deems the performance obligation to be satisfied and recognizes revenue at the point in time when the product is transferred to the customer. However, if there are elements not yet delivered to the customer, such as additional free downloadable content, the Company calculates the estimated sale value by referencing the selling price of similar paid downloadable content and recognizes revenue over the course of the customer's average game-playing period.

Licensing of home video games under license agreements is a grant of usage rights, and the Company deems the performance obligation to be satisfied and recognizes the minimum guarantee as revenue at the point in time when licensing starts. Royalties based on net sales are determined based on the sales, etc. of the contract partner, and revenue is recognized at the point in time when the performance obligation is deemed to be satisfied while taking into consideration the time when the royalty is accrued.

#### b. Toys and Hobby Business

In the Toys and Hobby Business, we mainly conduct sales of toys, capsule toys, cards, confectionery and foods, apparel, sundries, plastic models, prizes, stationary, and other products.

For such sales of goods and products, the Company deems the performance obligation to be satisfied and recognizes revenue at the point in time when the good or product is transferred to the customer.

#### c. Visual and Music Business

In the Visual and Music Business, we mainly conduct the production and management of visual and music content.

Regarding the sales of visual and music content, the Company deems the performance obligation to be satisfied and recognizes revenue at the point in time when the product is transferred to the customer.

Licensing of visual and music under license agreements is a grant of usage rights, and the Company deems the performance obligation to be satisfied and recognizes the minimum guarantee as revenue at the point in time when licensing starts. Royalties based on net sales are determined based on the sales, etc. of the contract partner, and revenue is recognized at the point in time when the performance obligation is deemed to be satisfied while taking into consideration the time when the royalty is accrued.

#### d. Creation Business

In the Creation Business, we mainly conduct the production of animation and the management and administration of copyrights and other rights.

For contracted animation production, the Company deems the performance obligation to be satisfied and recognizes revenue at the point in time when the product is delivered to the client.

The licensing of animation under license agreements is recognized by the Company in the same manner as in the Visual and Music Business.

#### e. Amusement Business

In the Amusement Business, we mainly conduct the sales of amusement machines and operation of amusement facilities.

For sales of amusement machines, the Company deems the performance obligation to be satisfied and recognizes revenue at the point in time when the product is transferred to the customer.

Revenue from the operation of amusement facilities mainly arises from charges to customers to play with amusement machines, and the Company deems the performance obligation to be satisfied and recognizes revenue at the point in time when the customer starts playing.

Regarding the domestic sales of goods and products in each business, the Company applies the alternative treatment prescribed in paragraph 98 of the “Implementation Guidance on Accounting Standard for Revenue Recognition,” and if the period from the time of shipment to the time when control of such goods or products is transferred to the customer is a normal period of time, the Company recognizes revenue at the time of shipment.

(ii) Video Game Software Production Costs:

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

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

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

The capitalized production costs are amortized to cost of sales based on projected sales revenue for home video games and are amortized to cost of sales over the minimum operating period for smartphone-based applications.

(5) Significant Accounting Policies for Hedging:

(i) Accounting for Hedging:

The Company used deferred hedge accounting.

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

(ii) Hedging Instruments and Hedged Items:

Hedging instruments: Forward foreign exchange contracts

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

(iii) Hedging Policies:

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

(iv) Method of Assessing the Effectiveness of Hedging:

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

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

(6) Amortization of Goodwill

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

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

(i) Method of Accounting for Retirement Benefits

a. Method of attributing expected retirement benefits to periods

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

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

Actuarial gains and losses are recognized in gain or loss in the consolidated fiscal year following the year in which a respective gain or loss arises, and are amortized proportionally on a straight-line basis over a certain period (7 to 14 years) that is within the average remaining period of service of the eligible employees.

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

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

(ii) Application of Consolidated Taxation System

The Company has applied the consolidated taxation system.

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

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

Effective from the beginning of the next consolidated fiscal year, the Company will adopt the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No. 42, August 12, 2021), which prescribes the accounting and disclosure treatment of corporate and local corporation tax as well as tax effect accounting in the case where the group tax sharing system is applied.

## II. Notes to Changes in Accounting Policy

### (Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter the “Revenue Recognition Standard”) and other relevant ASBJ regulations from the beginning of this fiscal year, and it has decided to recognize revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of those goods or services. As a result of this application, revenue mainly for network content and home video games with online functions, which was previously recognized when items used in the content or video game software was sold, etc., will be recognized by calculating the estimated sales value for undelivered elements if there were elements that were not delivered to customers and recognizing an amount equivalent to that value as the revenue over the reasonably estimated period for which performance obligations are expected to be satisfied.

The application of the Revenue Recognition Standard and other relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Revenue Recognition Standard. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of this fiscal year, was added to or deducted from the beginning balance of retained earnings of this fiscal year, and thus the new accounting policy was applied from such beginning balance. However, applying the method provided for in paragraph 86 of the Revenue Recognition Standard, the new accounting policy was not retrospectively applied to contracts for which nearly all the revenue amounts had been recognized according to the previous treatment in periods prior to the beginning of this fiscal year.

“Trade receivables” under “Current assets” of the consolidated balance sheet as of the end of the previous fiscal year has been included in “Trade receivables and contract assets” from the consolidated balance sheet as of the end of this fiscal year. In addition, “Other current liabilities” under “Current liabilities” of the consolidated balance sheet has been included in “Contract liabilities” and “Other current liabilities” from the consolidated balance sheet as of the end of this fiscal year.

As a result of this change, in comparison to the period before the application of the Revenue Recognition Standard, etc., for this fiscal year, net sales increased by 83 million yen, cost of sales decreased by 1,903 million yen, and selling, general and administrative expenses increased by 2,416 million yen while operating profit, recurring profit and profit before income taxes each decreased by 429 million yen.

Due to the reflection of the cumulative effects of changes to net assets at the beginning of the current fiscal year, the beginning balance of retained earnings in the consolidated statement of changes in net assets increased by 179 million yen.

The impact of this change on per-share data is described in the relevant section.

### (Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter the “Fair Value Measurement Standard”) and other relevant ASBJ regulations from the beginning of this fiscal year and, in accordance with the transitional treatment provided for in paragraph 19 of the Fair Value Measurement Standard and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the new accounting policy provided for in the Fair Value Measurement Standard and other relevant ASBJ regulations is applied prospectively. There is no impact on the consolidated financial statements.

In addition, the Company provides notes relating to the breakdown of the fair value of financial instruments by appropriate classification, etc., in “Notes Concerning Financial Instruments.”

### III. Notes to Changes in Method of Presentation

#### (Consolidated Balance Sheet)

“Short-term borrowings” and “Accrued income taxes,” which had been included in “Other current liabilities” under “Current liabilities” in the previous fiscal year, are stated separately from this fiscal year since they are at or above 1 percent of the total liabilities and net assets. The amount of “Short-term borrowings” and “Accrued income taxes” for the previous fiscal year was 385 million yen and 6,820 million yen, respectively.

#### (Consolidated Statements of Operations)

(1) “Gain on investments in deferred compensation plan” (the balance of which at the end of this fiscal year is 47 million yen), which had been stated separately in the previous fiscal year, is included in “Other non-operating income” under “Non-operating income” in this fiscal year since it is at or below 10 percent of the total non-operating income.

(2) “Loss on valuation of derivatives” and “Provision of allowance for doubtful accounts,” which had been included in “Other non-operating expenses” under “Non-operating expenses” in the previous fiscal year, are stated separately from this fiscal year since they are at or above 10 percent of the total non-operating expenses.

The amount of “Loss on valuation of derivatives” and “Provision of allowance for doubtful accounts” for the previous fiscal year was 44 million yen and 31 million yen, respectively.

(3) “Gain on sales of investment securities” (the balance of which at the end of this fiscal year is 100 million yen), which had been stated separately in the previous fiscal year, is included in “Other extraordinary income” under “Extraordinary income” in this fiscal year since it is at or below 10 percent of the total extraordinary income.

(4) “Loss on disposal of fixed assets,” which had been included in “Other extraordinary loss” under “Extraordinary loss” in the previous fiscal year, is stated separately from this fiscal year since it is at or above 10 percent of the total extraordinary loss. The amount of “Loss on disposal of fixed assets” for the previous fiscal year was 626 million yen.

In addition, “Loss on temporary store closures and other related to COVID-19” (the balance of which at the end of this fiscal year is 657 million yen), which had been stated separately in the previous fiscal year, is included in “Other extraordinary loss” under “Extraordinary loss” in this fiscal year since it is at or below 10 percent of the total extraordinary loss.

### IV. Notes Concerning Accounting Estimates

#### Valuation of Work in Process Concerning Home Video Games at Major Domestic Development Bases

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

Work in process	¥47,090 million
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(2) Information concerning the contents of significant accounting estimates for the identified items

The value of work in process concerning home video games in the Digital Business stated on the consolidated balance sheet was calculated by reducing the book value based on declining profitability and is evaluated to be the lower of the net realizable value or the book value of work in process.

The profitability of work in process is determined not to be declining when there is no change in market demand trends from initial production estimates and the production is progressing smoothly.

However, work in process that may decline in profitability is evaluated on an individual basis; in particular at the stage nearing launch when market demand trends can be better understood, work in process is evaluated individually by taking into consideration sales performance of similar game titles and sales potential based on future demand forecasts.

Estimates involving such determinations and assumptions may be affected by future demand trends and other factors; if such change in circumstances occurs, these estimates may possibly have a significant effect on the amount of work in process in the consolidated financial statements in the following consolidated fiscal year and onwards.

#### V. Notes to Consolidated Balance Sheet

1. Of trade receivables and contract assets, the amount of receivables arising from contracts with customers is as follows.

Notes receivable	¥3,410 million
Accounts receivable-trade	¥119,331 million

2. Assets Pledged as Collateral

Cash and time deposits	¥30 million
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There are no liabilities associated with this collateral.

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

“Other investments and assets” under “Investments and other assets”	¥2,169 million
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3. Amount of Accumulated Depreciation of Property, Plant and Equipment: ¥201,662 million

4. Guarantee Obligations

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

Bandai Namco Will Inc.	¥26 million
Transferee of amusement facilities business in North America	¥367 million

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Total	¥393 million
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5. Land Revaluation

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

Revaluation Method:

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

Revaluation Date:

March 31, 2002

#### VI. Notes to Consolidated Statement of Changes in Net Assets

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

Common stock	222,000,000 shares
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## 2. Matters Concerning Distribution of Surplus

### (1) Paid Dividend Amounts, etc.

Date of Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Date of record	Effective date
June 21, 2021, Ordinary General Meeting of Shareholders	Common stock	20,020	91	March 31, 2021	June 22, 2021
November 9, 2021, Board of Directors Meeting	Common stock	5,281	24	September 30, 2021	December 7, 2021

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

Date of Scheduled Resolution	Type of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Date of record	Effective date
June 20, 2022, Ordinary General Meeting of Shareholders	Common stock	41,368	Retained earnings	188	March 31, 2022	June 21, 2022

## VII. Notes Concerning Financial Instruments

### 1. Financial Instruments

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

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

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

Part of trade payables, which are operating liabilities, is denominated in foreign currencies. Hedging is implemented as necessary through the use of forward exchange contracts for the purpose of reducing risks arising from fluctuations in exchange rates for foreign-currency-denominated operating liabilities.

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

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



## 2. Fair Values of Financial Instruments

The book values of financial instruments as stated in the consolidated balance sheet, their fair value as of March 31, 2022, and the difference between book value and fair value are as stated below.

Shares, etc. that do not have a market price (book value stated in the consolidated balance sheet is 10,287 million yen) are not included in “Short-term investments and investment securities.”

In addition, notes regarding “cash” are omitted, and notes regarding “time deposits,” “notes receivable,” “accounts receivable-trade,” “short-term borrowings” and “accrued income taxes” are omitted due to the fair value approximating the book value as they are settled in a short period of time.

	Book value stated in the consolidated balance sheet (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
Short-term investments and investment securities			
1. Available-for-sale securities	92,414	92,414	—
2. Stock of affiliated companies	10,559	12,908	2,349
Total assets	102,974	105,323	2,349
Long-term borrowings	10,236	10,191	(44)
Total liabilities	10,236	10,191	(44)
Derivative transactions (*)	939	939	—

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

## 3. Matters Relating to the Breakdown of the Fair Value of Financial Instruments by Appropriate Classification, Etc.

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs such as quoted prices in active markets for the assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that have a significant impact to the fair value measurement, such fair value is categorized in its entirety at the level with the lowest priority in fair value measurement among levels which each input belongs to.

### (1) Financial Assets and Liabilities for Which Fair Value Is Used as Book Value Stated in the Consolidated Balance Sheet

	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Short-term investments and investment securities				
Available-for-sale securities				
Stocks	92,414	—	—	92,414
Derivative transactions				
Currency related	—	939	—	939

(2) Financial Assets and Liabilities for Which Fair Value Is Not Used as Book Value Stated in the Consolidated Balance Sheet

	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Short-term investments and investment securities				
Stock of affiliated companies				
Stocks	12,908	—	—	12,908
Long-term borrowings	—	10,191	—	10,191

(Note) Description of the valuation techniques and inputs used to measure fair value:

Short-term investments and investment securities

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

Derivative transactions

The fair value of forward exchange contracts is measured using observable inputs, such as prices quoted by financial institutions with which we do business and exchange rates, and is classified as Level 2.

Long-term borrowings

The fair value of long-term borrowings is measured using the discounted cash flow method based on the sum of principal and interest, remaining maturities and an interest rate reflecting credit risk and is classified as Level 2.

VIII. Notes Concerning Real Estate for Lease, etc.

1. Real Estate for Lease, etc.

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

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

Book value stated in the consolidated balance sheet (Millions of yen)	Fair value (Millions of yen)
33,981	32,693

(Notes) 1. The book value stated in the consolidated balance sheet is calculated by deducting accumulated depreciation from acquisition cost.

2. The fair value as of the end of this fiscal year is the amount calculated based mainly on “real property appraisal reports” prepared by external real property appraisers. However, if there is no significant fluctuation for a certain valuation or an index that is considered to appropriately reflect the fair value since the most recent evaluation, the fair value is based on the most recent evaluation.

## IX. Notes Concerning Revenue Recognition

### 1. Disaggregation of Revenue from Contracts with Customers

(Millions of yen)

	Business segment						Total
	Digital	Toys and Hobby	Visual and Music	Creation	Amusement	Other	
Japan	224,452	260,109	43,853	22,644	68,466	5,933	625,459
Americas	73,913	24,518	—	—	772	—	99,203
Europe	56,881	16,301	—	—	9,360	—	82,544
Asia	18,262	60,955	—	278	2,566	—	82,062
Revenue from contracts with customers	373,509	361,884	43,853	22,922	81,165	5,933	889,270
Revenue from other sources	—	—	—	—	—	—	—
Net sales to external customers	373,509	361,884	43,853	22,922	81,165	5,933	889,270

(Note) Net sales to external customers are based on the location of the Company or its consolidated subsidiaries and are recorded by country or region.

### 2. Useful Information in Understanding Revenue from Contracts with Customers

Useful information in understanding revenue from contracts with customers is as stated in “I. Notes to Important Information Constituting the Basis for Preparation of Consolidated Financial Statements, 4. Accounting Policies, (4) Accounting Standards for Significant Income and Expense.”

### 3. Useful Information in Understanding Amounts of Revenue in This Fiscal Year and Onwards

#### (1) Balance of Contract Assets and Contract Liabilities, etc.

(Millions of yen)

	This fiscal year
Receivables from contracts with customers (beginning balance)	91,765
Receivables from contracts with customers (ending balance)	122,742
Contract assets (beginning balance)	57
Contract assets (ending balance)	—
Contract liabilities (beginning balance)	15,741
Contract liabilities (ending balance)	22,912

Contract liabilities are mainly related to advances received from customers before the transfer of goods and products in the Toys and Hobby Business and advances received as consideration paid by customers within content of the Digital Business, which are recognized as revenue when the Group’s performance obligation is satisfied by the acquisition and use of such paid-for items by the customer. Contract liabilities are reversed upon recognition of revenue.

The amount of revenue that was recognized in the current fiscal year that was included in the contract liability balance at the beginning of the period is 14,703 million yen.

#### (2) Transaction Price Allocated to the Remaining Performance Obligations

As there were no material contracts with original expected terms of over one year, descriptions in regard thereto are omitted for the sake of practical expediency.

## X. Notes Concerning Per-Share Data

1. Net assets per share ¥2,654.81

2. Basic earnings per share ¥422.09

(Note) As stated in “II. Notes to Changes in Accounting Policy,” the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other relevant ASBJ regulations and complies with the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. As a result, net assets per share and basic earnings per share for the current fiscal year have decreased by 0.54 yen and 1.36 yen, respectively.

## XI. Notes Concerning Significant Subsequent Events

(Reorganization of subsidiaries)

In order to further strengthen the IP axis strategy that is a core strategy of the Group, the Company decided at its Board of Directors meeting held on October 19, 2021 to reorganize the companies belonging to the Visual and Music Business and Creation Business of the IP Production Unit by combining three companies in the visual business into one company and combining three companies in the music and live event businesses into one company. The Company implemented the reorganization on April 1, 2022.

### 1. Purpose

The IP Production Unit, whose most important mission is to create IP, produces and develops worldviews for IP through coordination among the visual, music and live event businesses. Furthermore, the Company aims to maximize the value of IP by coordinating with each Unit in the Group. By combining the companies in the visual, music and live event businesses of the IP Production Unit, the companies will be able to share the different expertise, strengths, external partner networks, etc. of each company engaged in creating and developing IP, and effectively utilize the Company’s IP and music. In addition, through personnel exchanges, etc., the Company will strengthen the development of human resources involved in IP creation and production. With these initiatives, the Company aims to further strengthen the IP creation and production capabilities, which are at the core of the IP axis strategy.

### 2. Reorganization in the visual business

Transactions conducted by commonly controlled entities

#### (1) Overview of transaction

##### (i) Overview of absorption-type company split with SUNRISE INC. as the successor company

###### a. Name and description of business involved in absorption-type company split

Name of business:	Visual business of Bandai Namco Arts Inc.
Description of business:	Planning, production, management, etc. of visual content

###### b. Date of business combination

April 1, 2022

###### c. Legal form of business combination

Absorption-type company split with Bandai Namco Arts Inc. as the splitting company and SUNRISE INC. as the successor company

###### d. Company name after combination

Bandai Namco Filmworks Inc.

(ii) Overview of absorption-type merger with SUNRISE INC. as the surviving company

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

Merging company (surviving company)

Name: SUNRISE INC.

Description of business: Planning and production of animation; management and administration of copyrights

Merged company (disappearing company)

Name: Bandai Namco Rights Marketing Inc.

Description of business: Development, operation, and sales of online video distribution platform services; development, operation, and sales of various community services and related tools

b. Date of business combination

April 1, 2022

c. Legal form of business combination

Absorption-type merger with SUNRISE INC. as the surviving company and Bandai Namco Rights Marketing Inc. as the disappearing company

d. Company name after combination

Bandai Namco Filmworks Inc.

(2) Overview of accounting process

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

3. Reorganization in the music and live event businesses

Transactions conducted by commonly controlled entities

(1) Overview of transaction

(i) Name and description of business of the company involved in combination

Merging company (surviving company)

Name: Bandai Namco Arts Inc.

Description of business: Planning, production, and management of visual and music content, artist discovery and development, production of live events, etc.

Merged company (disappearing company)

Name: Bandai Namco Live Creative Inc.

Description of business: Planning and production of live performances and events; ticket sales; planning, production, and sales of goods; management of live viewings, etc.

Merged company (disappearing company)

Name: SUNRISE Music INC.

Description of business: Production of music related to animations and planning and use of music and masters, centered on SUNRISE INC. and Bandai Namco Pictures Inc.

(ii) Date of business combination

April 1, 2022

(iii) Legal form of business combination

Absorption-type merger with Bandai Namco Arts Inc. as the surviving company and Bandai Namco Live Creative Inc. and SUNRISE Music INC. as the disappearing companies

(iv) Company name after combination

Bandai Namco Music Live Inc.

(2) Overview of accounting process

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

## XII. Other Notes

(Additional information)

(Reorganization of subsidiaries)

Business transfer between European subsidiaries and change in trade name of subsidiary

At the Board of Directors meeting held on February 8, 2022, the Company passed a resolution to reorganize its subsidiaries.

1. Purpose

All businesses of Bandai Namco Amusement Europe Ltd., which engages in sales of amusement machines, etc., will be transferred to NAMCO UK LTD., which engages in operation of amusement facilities, etc. The two companies are being combined with the aim of strengthening the amusement business in the UK and elsewhere in Europe by integrating the value chain in a manner that involves bringing together both companies’ know-how relating to amusement machine sales and amusement facility operations.

Bandai Namco Amusement Europe Ltd. is to be liquidated in December 2023, subsequent to having completed transfer of its entire business.

2. Transactions conducted by commonly controlled entities

(1) Overview of transaction

(i) Name and description of business involved in reorganization

Sales, maintenance, etc. of amusement machines in Europe, etc.

(ii) Date of business combination

October 1, 2022 (planned)

(iii) Legal form of business combination

Business transfer with Bandai Namco Amusement Europe Ltd. as the transferor and NAMCO UK LTD. as the transferee

(iv) Company name after combination

Bandai Namco Amusement Europe Ltd.

(2) Overview of accounting process

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

**Non-Consolidated Balance Sheet**  
(As of March 31, 2022)

	(Millions of yen)
	Amount
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and time deposits	105,574
Trade receivables	94
Short-term loans receivable from subsidiaries and associates	1,850
Current portion of long-term loans receivable from subsidiaries and associates	1,000
Accounts receivable-other	27,522
Other current assets	1,482
Allowance for doubtful receivables	(132)
<b>Total current assets</b>	<b>137,391</b>
<b>Fixed assets</b>	
<b>Property, plant and equipment</b>	
Buildings	962
Structures	475
Machinery and equipment	6
Tools, furniture and fixtures	569
Land	32,914
Construction in progress	10
<b>Total property, plant and equipment</b>	<b>34,939</b>
<b>Intangible assets</b>	
Software	1,028
Other intangible assets	104
<b>Total intangible assets</b>	<b>1,132</b>
<b>Investments and other assets</b>	
Investment securities	93,036
Shares of subsidiaries and associates	252,142
Long-term loans receivable from subsidiaries and associates	7,000
Other investments and assets	8,452
<b>Total investments and other assets</b>	<b>360,631</b>
<b>Total fixed assets</b>	<b>396,704</b>
<b>TOTAL ASSETS</b>	<b>534,095</b>

	(Millions of yen)
	Amount
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Short-term borrowings from subsidiaries and associates	104,078
Current portion of long-term borrowings	10,000
Accounts payable-other	5,582
Accrued income taxes	15,653
Provision for directors' bonuses	302
Provision for stock-based compensation	165
Other provision	1
Other current liabilities	1,126
<b>Total current liabilities</b>	<b>136,910</b>
<b>Long-term liabilities</b>	
Long-term borrowings	10,000
Deferred tax liabilities	16,613
Accrued retirement and severance benefits	13
Guarantee deposits of subsidiaries and associates	2,434
Other long-term liabilities	1,501
<b>Total long-term liabilities</b>	<b>30,562</b>
<b>TOTAL LIABILITIES</b>	<b>167,473</b>
<b>NET ASSETS</b>	
<b>Stockholders' equity</b>	
<b>Common stock</b>	<b>10,000</b>
<b>Capital surplus</b>	
Capital reserve	2,500
Other capital surplus	172,710
<b>Total capital surplus</b>	<b>175,210</b>
<b>Retained earnings</b>	
Legal retained earnings	1,645
Other retained earnings	137,697
General reserve	10,000
Retained earnings carried forward	127,697
<b>Total retained earnings</b>	<b>139,342</b>
<b>Treasury stock</b>	<b>(2,091)</b>
<b>Total stockholders' equity</b>	<b>322,462</b>
<b>Valuation difference and foreign currency translation adjustments</b>	
Valuation difference on available-for-sale securities, net of tax	44,159
<b>Total valuation difference and foreign currency translation adjustments</b>	<b>44,159</b>
<b>TOTAL NET ASSETS</b>	<b>366,622</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>534,095</b>



**Non-Consolidated Statements of Operations**  
(From April 1, 2021 to March 31, 2022)

	(Millions of yen)	
	Amount	
<b>Operating revenue</b>		
Dividends from subsidiaries and associates	37,563	
Business management income from subsidiaries and associates	8,064	
Other operating revenue	0	45,627
<b>Operating expenses</b>		
General and administrative expenses		8,671
<b>Operating profit</b>		<b>36,956</b>
<b>Non-operating income</b>		
Dividend income	591	
Rent income	3,194	
Other non-operating income	514	4,300
<b>Non-operating expenses</b>		
Interest expense	94	
Expenses related to rental assets	3,007	
Loss on investments in capital of subsidiaries and associates	440	
Other non-operating expenses	4	3,546
<b>Recurring profit</b>		<b>37,709</b>
<b>Extraordinary income</b>		
Gain on sales of fixed assets	0	
Gain on sales of investment securities	6	7
<b>Extraordinary loss</b>		
Loss on disposal of fixed assets	455	
Loss on liquidation of subsidiaries and associates	173	628
<b>Profit before income taxes</b>		<b>37,088</b>
Income taxes - current	806	
Income taxes - deferred	(744)	61
<b>Profit</b>		<b>37,026</b>

## Non-Consolidated Statement of Changes in Net Assets (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Stockholders' equity									
	Common stock	Capital surplus			Legal retained earnings	Retained earnings			Treasury stock	Total stockholders' equity
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings		
					General reserve	Retained earnings carried forward				
Balance at beginning of year	10,000	2,500	172,412	174,912	1,645	10,000	115,971	127,617	(2,130)	310,399
Changes during the period										
Cash dividends							(25,301)	(25,301)		(25,301)
Profit							37,026	37,026		37,026
Purchase of treasury stock									(8)	(8)
Disposal of treasury stock			298	298					47	345
Net changes of items other than stockholders' equity										
Total changes during the period	-	-	298	298	-	-	11,725	11,725	38	12,062
Balance at end of year	10,000	2,500	172,710	175,210	1,645	10,000	127,697	139,342	(2,091)	322,462

	Valuation difference and foreign currency translation adjustments		Total net assets
	Valuation difference on available-for-sale securities, net of tax	Total valuation difference and foreign currency translation adjustments	
Balance at beginning of year	50,294	50,294	360,694
Changes during the period			
Cash dividends			(25,301)
Profit			37,026
Purchase of treasury stock			(8)
Disposal of treasury stock			345
Net changes of items other than stockholders' equity	(6,134)	(6,134)	(6,134)
Total changes during the period	(6,134)	(6,134)	5,927
Balance at end of year	44,159	44,159	366,622

## Notes to Non-Consolidated Financial Statements

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

### I. Notes Concerning Significant Accounting Policies

#### 1. Valuation Basis and Methods for Assets:

Valuation basis and methods for securities:

(1) Shares of Subsidiaries and Affiliated Companies:

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

(2) Available-for-sale Securities:

Securities other than shares, etc. that do not have a fair value:

Stated using the fair value method. (Valuation differences are reflected directly in net assets and cost of sales is calculated using the moving average method.)

Shares, etc. that do not have a fair value:

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

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

#### 2. Depreciation Methods for Fixed Assets:

(1) Property, Plant and Equipment:

Stated using the declining-balance method.

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

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

(2) Intangible Assets:

Stated using the straight-line method.

The general useful life of software is as follows:

Software (used internally)	5 years
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#### 3. Basis of Recognition for Provision:

(1) Allowance for Doubtful Receivables:

The allowance for doubtful receivables is provided for possible losses on unrecoverable loans receivable, etc. For particular receivables such as receivables from debtors at risk of bankruptcy, etc., the amount of the allowance is based on individually estimated unrecoverable amounts.

(2) Provision for Directors' Bonuses:

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

(3) Provision for Stock-based Compensation:

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

(4) Accrued Retirement and Severance Benefits:

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

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

4. Accounting Standards for Significant Income and Expense:

The Company's revenues consist of consulting fee income and dividend income received from subsidiaries.

For consulting fee income, the Company's performance obligation is to provide contracted services to each subsidiary in accordance with the terms of the relevant contracts; income and expenses are recognized at the time when the services are provided because the Company's performance obligation is satisfied at that time.

For dividend income, revenue is recognized on the effective date of such dividends.

5. Other Important Information Constituting the Basis of Preparation of Non-Consolidated Financial Statements:

(1) Application of Consolidated Taxation System

The Company has applied the consolidated taxation system.

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

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

Effective from the beginning of the next fiscal year, the Company will adopt the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021), which prescribes the accounting and disclosure treatment of corporate and local corporation tax as well as tax effect accounting in the case where the group tax sharing system is applied.

## II. Notes to Changes in Accounting Policy

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other relevant ASBJ regulations from the beginning of this fiscal year, and it has decided to recognize revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of those goods or services. There is no impact on the non-consolidated financial statements.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter the "Fair Value Measurement Standard") and other relevant ASBJ regulations from the beginning of this fiscal year and, in accordance with the transitional treatment provided for in paragraph 19 of the Fair Value Measurement Standard and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the new accounting policy provided for in the Fair Value Measurement Standard and other relevant ASBJ regulations is applied prospectively. There is no impact on the non-

consolidated financial statements.

### III. Notes to Changes in Method of Presentation

#### (Non-Consolidated Statements of Operations)

“Loss on investments in capital of subsidiaries and associates” which had been included in “Other non-operating expenses” under “Non-operating expenses” up to the previous fiscal year, is stated separately due to the increased materiality from this fiscal year. The amount of “Loss on investments in capital of subsidiaries and associates” for the previous fiscal year was 230 million yen.

### IV. Notes to Non-Consolidated Balance Sheet

1. Amount of Accumulated Depreciation of Property, Plant and Equipment: ¥5,945 million

2. Guarantee Obligations

The Company has made guarantees in respect of obligations in connection with leasing contracts of an affiliated company.

Bandai Namco Will Inc. ¥26 million

3. Monetary Claims and Obligations with respect to Affiliated Companies (excluding Amounts Given in Specific Categories)

Short-term monetary claims on affiliated companies:	¥27,576 million
Short-term monetary obligations to affiliated companies:	¥4,354 million
Long-term monetary obligations to affiliated companies:	¥1,009 million

### V. Notes to Non-Consolidated Statements of Operations

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

Operating Transactions:

Commission fee	¥2,474 million
Facility contribution	¥(971) million

Non-operating Transactions:

Non-operating income	¥3,148 million
Non-operating expenses	¥27 million

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

The total number and type of treasury stock as of the end of this fiscal year

Common stock	1,955,976 shares
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### VII. Notes Concerning Tax Effect Accounting

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

VIII. Notes Concerning Transactions with Related Parties

1. Subsidiaries and Affiliated Companies, etc.

(Millions of yen)

Type	Company	Ratio of voting rights ownership	Relationship with related parties	Content	Amount	Account items	Balance as of March 31, 2022
Subsidiary	Bandai Namco Entertainment Inc.	Holding directly 100.0%	Interlocking directorate	Borrowings (Note 1)	16,138	Short-term borrowings from subsidiaries and associates	25,445
				Payment of interest	5	-	-
				Collection associated with consolidated tax payment	9,370	Accounts receivable-other	11,565
				Receipt of claims (Note 2)	5,525	-	-
				Payment of commissions (Note 3)	2,439	Accounts payable-other	2,684
Subsidiary	BANDAI CO., LTD.	Holding directly 100.0%	Interlocking directorate	Borrowings (Note 1)	16,191	Short-term borrowings from subsidiaries and associates	22,491
				Payment of interest	5	-	-
Subsidiary	Bandai Namco Amusement Inc.	Holding directly 100.0%	Interlocking directorate	Collection of funds (Note 4)	1,000	Current portion of long-term loans receivable from subsidiaries and associates	1,000
				Receipt of interest	39	Long-term loans receivable from subsidiaries and associates	7,000
				Borrowings (Note 1)	5,331	Short-term borrowings from subsidiaries and associates	7,781
				Payment of interest	1	-	-
Subsidiary	Bandai Namco Studios Inc.	Holding indirectly 100.0%	-	Borrowings (Note 1)	7,961	Short-term borrowings from subsidiaries and associates	8,788
				Payment of interest	2	-	-
Subsidiary	BANDAI SPIRITS CO., LTD.	Holding directly 100.0%	-	Borrowings (Note 1)	22,605	Short-term borrowings from subsidiaries and associates	35,339
				Payment of interest	7	-	-
				Collection associated with consolidated tax payment	5,037	Accounts receivable-other	6,444
Subsidiary	SOTSU CO., LTD.	Holding directly 100.0%	Interlocking directorate	Borrowings (Note 4)	1,000	-	-
				Repayment of funds (Note 4)	16,000	-	-
				Payment of interest	4	-	-
Subsidiary	Evolving GUNDAM Inc.	Holding indirectly 93.8%	Interlocking directorate	Receipt of facility contribution (Note 5)	971	Other current liabilities	153

Type	Company	Ratio of voting rights ownership	Relationship with related parties	Content	Amount	Account items	Balance as of March 31, 2022
Subsidiary	Bandai Namco Business Arc Inc.	Holding directly 100.0%	Interlocking directorate	Payment of administrative services fees (Note 6)	818	Accounts payable-other	75

Conditions of transactions and policies for determining the conditions of transactions

- (Notes)
1. The borrowings are transactions made by the cash management system (CMS); the amount stated is the average balance during this fiscal year. To clearly disclose the actual conditions of CMS transactions, the transaction net amount is shown. The interest rate on these borrowings is, based on intra-Group regulations, determined reasonably, taking into account market interest rates.
  2. Bandai Namco Entertainment Inc.'s accounts receivable-trade from Bandai Namco Entertainment America Inc. are assigned at book value.
  3. The commissions paid to Bandai Namco Entertainment Inc. are decided through cooperative discussion with that company, giving consideration to the total cost pertaining to the performed services and the like.
  4. Interest rates on these loans and borrowings of money are determined reasonably, giving consideration to market interest rates, conditions of transactions and the like.
  5. The facility contribution to be borne by Evolving GUNDAM Inc. and the Company is decided through cooperative discussion with Evolving GUNDAM Inc. and the Company, giving consideration to the total cost pertaining to the relevant services and the like.
  6. The administrative services fees paid to Bandai Namco Business Arc Inc. are decided through cooperative discussion with that company, giving consideration to the total cost pertaining to the relevant services and the like.

2. Officers and Major Individual Shareholders, etc.

(Millions of yen)

Type	Name	Ratio of voting rights ownership	Relationship with related parties	Content	Amount	Account items	Balance as of March 31, 2022
Officer	Masaru Kawaguchi	Ownership directly 0.0%	President and Representative Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	21	-	-
Officer	Yuji Asako	Ownership directly 0.0%	Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	13	-	-
Officer	Mitsuaki Taguchi	Ownership directly 0.0%	Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	25	-	-
Officer	Shuji Ohtsu	Ownership directly 0.0%	Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	13	-	-
Officer	Yasuo Miyakawa	Ownership directly 0.0%	Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	23	-	-
Officer	Makoto Asanuma	Ownership directly 0.0%	Director of the Company	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	13	-	-
Officer	Hitoshi Hagiwara	Ownership directly 0.0%	Director of the Company (Note 2)	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	13	-	-



Type	Name	Ratio of voting rights ownership	Relationship with related parties	Content	Amount	Account items	Balance as of March 31, 2022
Officer	Kazumi Kawashiro	Ownership directly 0.0%	Director of the Company (Note 2)	Disposal of treasury stock accompanying contribution in kind of the monetary compensation claims (Note 1)	17	-	-

(Notes)1. These items are due to contribution in kind of monetary compensation claims accompanying the performance-based stock compensation plan. The disposal price of treasury stock is determined based on the closing price of common stock of the Company on the First Section of the Tokyo Stock Exchange on June 18, 2021 (the business day immediately preceding the date of the resolution at the Board of Directors Meeting).

2. Mr. Hitoshi Hagiwara and Mr. Kazumi Kawashiro retired from office as Directors of the Company on June 21, 2021, and the above-stated transactions are those during their terms of office.

#### IX. Notes Concerning Per-Share Data

1. Net assets per share: ¥1,666.13  
2. Basic earnings per share: ¥168.28

#### X. Notes Concerning Revenue Recognition

##### Useful Information in Understanding Revenue

Useful information in understanding revenue is as stated in “I. Notes Concerning Significant Accounting Policies, 4. Accounting Standards for Significant Income and Expense.”

#### XI. Notes Concerning Significant Subsequent Events

##### (Reorganization of Subsidiaries)

This information is omitted because it is stated in “XI. Notes Concerning Significant Subsequent Events” in the notes to the consolidated financial statements.

## **Independent Auditor's Report**

May 18, 2022

The Board of Directors  
Bandai Namco Holdings Inc.

Tokyo Office, KPMG AZSA LLC

Naoki Matsumoto  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Mayuka Katsuki  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yasuko Kawamata  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Audit Opinion**

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the consolidated financial statements of Bandai Namco Holdings Inc., which comprise the consolidated balance sheet, the consolidated statements of operations, the consolidated statement of changes in net assets and the notes to the consolidated financial statements applicable to the fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consisted of Bandai Namco Holdings Inc. and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2022 in accordance with accounting principles generally accepted in Japan.

### **Basis for Audit Opinion**

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

### **Other Information**

Other information is comprised of the business reports and the supplementary schedules thereto. Management is responsible for the preparation and disclosure of such other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process of other information.

Our audit opinion on the consolidated financial statements does not cover other information, and we do not provide any opinion with respect thereto.

In connection with our audit of the consolidated financial statements, our responsibility is to read through other information and, in doing so, to consider whether such other information is materially inconsistent with the consolidated financial statements or any information we have obtained in the course of auditing, and to pay attention to whether there are any indications of material misstatements in such other information other than the material inconsistencies mentioned above.

If we conclude that there is a material misstatement with respect to such other information based on the auditing we performed, we are required to report to that effect.

We have nothing to report in regard to other information.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.

- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

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

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

### **Conflicts of Interest**

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

### **Notes to the Reader of Independent Auditor's Report:**

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

## **Independent Auditor's Report**

May 18, 2022

The Board of Directors  
Bandai Namco Holdings Inc.

Tokyo Office, KPMG AZSA LLC

Naoki Matsumoto  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Mayuka Katsuki  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yasuko Kawamata  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Audit Opinion**

Pursuant to Article 436, paragraph (2), item (i) of the Companies Act, we have audited the financial statements of Bandai Namco Holdings Inc., which comprise the non-consolidated balance sheet, the non-consolidated statements of operations, the non-consolidated statement of changes in net assets, the notes to the non-consolidated financial statements and the supplementary schedules (the "Financial Statements and Others") applicable to the 17th fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the Financial Statements and Others referred to above present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2022 in accordance with accounting principles generally accepted in Japan.

### **Basis for Audit Opinion**

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

### **Other Information**

Other information is comprised of the business reports and the supplementary schedules thereto. Management is responsible for the preparation and disclosure of such other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process of other information.

Our audit opinion on the Financial Statements and Others does not cover other information, and we do not provide any opinion with respect thereto.

In connection with our audit of the Financial Statements and Others, our responsibility is to read through other information and, in doing so, to consider whether such other information is materially inconsistent with the Financial Statements and Others or any information we have obtained in the course of auditing, and to pay attention to whether there are any indications of material misstatements in such other information other than the material inconsistencies mentioned above.

If we conclude that there is a material misstatement with respect to such other information based on the auditing we performed, we are required to report to that effect.

We have nothing to report in regard to other information.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements and Others, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the Financial Statements and Others with the assumption of a going concern by management, and based on the audit evidence

obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements and Others or, if the notes to the Financial Statements and Others on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements and Others. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the Financial Statements and Others and notes to the Financial Statements and Others are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the Financial Statements and Others, including the related notes thereto, and whether the Financial Statements and Others fairly present the underlying transactions and accounting events.

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

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

#### **Conflicts of Interest**

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

#### **Notes to the Reader of Independent Auditor's Report:**

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

## **Audit & Supervisory Board's Report**

### **Audit Report**

We, the Audit & Supervisory Board, prepared this audit report on the execution of duties by Directors during the 17th fiscal year from April 1, 2021 to March 31, 2022, following deliberations based on audit reports prepared by each Audit & Supervisory Board Member.

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

- (1) We devised the 17th auditing plan (auditing policies, duties assigned to each Audit & Supervisory Board Member and auditing methods), received reports on the progress on, and results of, audits from each Audit & Supervisory Board Member, as well as reports on the execution of their duties from Directors, etc. and the Accounting Auditor, and requested explanations as necessary.
- (2) Each Audit & Supervisory Board Member communicated with the Directors, the internal auditing division, and other employees, etc., in accordance with the internal regulations established by the Audit & Supervisory Board, and the above-mentioned auditing plan, to collect information and improve the auditing environment and conducted the audits in the following methods.
  - (i) We attended the meetings of the Board of Directors and other significant meetings, received reports on the execution of duties from Directors and employees, etc., obtained explanations thereof as necessary, viewed documents concerning important decisions, and investigated the conditions of operations and assets of the Company. Regarding the Company's subsidiaries, we communicated and shared information with the Directors and the Audit & Supervisory Board Members, etc. of the subsidiaries, and received reports on their business as necessary from them.
  - (ii) We also periodically received reports from Directors and employees, etc., requested explanations as necessary, and expressed opinion, regarding the development and operation of internal control systems that were organized based on decisions by the Board of Directors in relation to the development of a system to ensure that the execution of duties by Directors and other operations of the corporate group consisting of the Company and its subsidiaries as described in the business reports were in conformity with applicable laws and regulations and the Company's Articles of Incorporation, and a system stipulated in Article 100, Paragraphs 1 and 3 of the Enforcement Ordinance of the Companies Act.
  - (iii) We further examined the content of basic policies (Article 118, Item 3-(a) of the Enforcement Ordinance of the Companies Act) and actions (Article 118, Item 3-(b) of the Enforcement Ordinance of the Companies Act) described in business reports based on the meetings of the Board of Directors and other discussions.
  - (iv) We monitored and verified that the Accounting Auditor remained independent and performed audits appropriately, received reports on the execution of its duties from the Accounting Auditor and requested explanations as necessary. We were also notified that a "system for ensuring the proper execution of duties" (as per Article 131 of the Corporate Accounting Rules) was organized in accordance with "Quality Control Standards for Auditing" (October 28, 2005, Business Accounting Council), and requested explanations as necessary.

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



## 2. Results of the Audit

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

We confirm that the methods and the results of the audit by KPMG AZSA LLC, the Accounting Auditor of the Company, are appropriate.
- (3) Audit Result of consolidated financial statements  
We confirm that the methods and the results of the audit by KPMG AZSA LLC, the Accounting Auditor of the Company, are appropriate.

May 19, 2022

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

END