

Bandai Namco Holdings Inc.

Consolidated Financial Report for the Fiscal Year Ended

March 31, 2024

May 9, 2024

DISCLAIMER

- Bandai Namco Holdings Inc. provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy, the original “Kessan Tanshin” in Japanese shall prevail.
- This document contains forward-looking statements that are based on management’s estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

Bandai Namco Holdings Inc.

Stock Listing: Tokyo Stock Exchange

Code Number: 7832

(URL: <https://www.bandainamco.co.jp/>)**May 9, 2024****Consolidated Financial Report for the Fiscal Year Ended March 31, 2024 (Japanese GAAP)**

Representative: Masaru Kawaguchi, President and Representative Director

Contact: Yuji Asako, Director

Date of Ordinary General Meeting of Shareholders: June 24, 2024

Scheduled starting date for dividend payments: June 25, 2024

Scheduled filing date of the annual security report: June 24, 2024

The Financial Highlights of the Financial Results: Yes

The information session of the Financial Results: Yes (for institutional investors and analysts)

* Figures are in millions of yen, rounded down

1. Consolidated Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)**(1) Consolidated Operating Results**

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | |
|---|------------------|------------|------------------|---------------|-----------------|---------------|
| | ¥ million | % | ¥ million | % | ¥ million | % |
| Fiscal Year Ended March 31, 2024 | 1,050,210 | 6.1 | 90,682 | (22.1) | 104,164 | (18.6) |
| Fiscal Year Ended March 31, 2023 | 990,089 | 11.3 | 116,472 | (7.2) | 128,006 | (4.2) |

| | Profit attributable to owners of parent | | Basic earnings per share | Diluted earnings per share |
|---|---|-------------|--------------------------|----------------------------|
| | ¥ million | % | ¥ | ¥ |
| Fiscal Year Ended March 31, 2024 | 101,493 | 12.3 | 153.85 | – |
| Fiscal Year Ended March 31, 2023 | 90,345 | (2.6) | 136.88 | – |

(Note) Comprehensive income: 110,456 million yen [(4.8)%] (FY2024.3), 116,064 million yen [20.5%] (FY2023.3)

| | ROE (Profit attributable to owners of parent / Net assets) | ROA (Ordinary profit / Total assets) | Operating margin (Operating profit / Net sales) |
|---|---|---|--|
| | % | % | % |
| Fiscal Year Ended March 31, 2024 | 15.0 | 11.0 | 8.6 |
| Fiscal Year Ended March 31, 2023 | 14.6 | 14.3 | 11.8 |

(Reference) Gain or loss from application of equity method: 2,121 million yen (FY2024.3), 2,323 million yen (FY2023.3)

(Note) The Company conducted a share split at a ratio of three shares for every one common share on April 1, 2023. Basic earnings per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-----------------------------|----------------|----------------|--------------|----------------------|
| | ¥ million | ¥ million | % | ¥ |
| As of March 31, 2024 | 971,838 | 699,823 | 72.0 | 1,069.29 |
| As of March 31, 2023 | 926,358 | 652,133 | 70.4 | 987.58 |

(Reference) Equity: 699,517 million yen (as of March 31, 2024), 651,851 million yen (as of March 31, 2023)

(Note) The Company conducted a share split at a ratio of three shares for every one common share on April 1, 2023. Net assets per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(3) Consolidated Statements of Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | ¥ million | ¥ million | ¥ million | ¥ million |
| Fiscal Year Ended March 31, 2024 | 88,906 | 10,136 | (75,237) | 311,264 |
| Fiscal Year Ended March 31, 2023 | 95,625 | (40,878) | (59,524) | 276,288 |

2. Cash Dividends

| | Annual cash dividends | | | | | Total dividend payment (Full year) | Payout ratio (Consolidated) | Dividend / Net assets (Consolidated) |
|---|-----------------------|-----------------------|----------------------|-----------------|--------|------------------------------------|-----------------------------|--------------------------------------|
| | End of first quarter | End of second quarter | End of third quarter | Fiscal year-end | Total | | | |
| | ¥ | ¥ | ¥ | ¥ | ¥ | ¥ million | % | % |
| Fiscal Year Ended March 31, 2023 | – | 27.00 | – | 179.00 | 206.00 | 45,337 | 50.2 | 7.3 |
| Fiscal Year Ended March 31, 2024 | – | 10.00 | – | 50.00 | 60.00 | 39,323 | 39.0 | 5.8 |
| Fiscal Year Ending March 31, 2025 (Projections) | – | 11.00 | – | 11.00 | 22.00 | | – | |

(Notes) 1. Concerning the projected amounts of the end of second quarter and year-end cash dividends for the fiscal year ending March 31, 2025, the base dividend is stated based on the Company's basic policy on the distribution of profits. The year-end cash dividend for the fiscal year ending March 31, 2025, will be considered by the Company based on the basic policy on the distribution of profits.

2. The Company conducted a share split at a ratio of three shares for every one common share on April 1, 2023. The actual amount of dividends before the aforementioned share split is stated for the fiscal year ended March 31, 2023.

3. The Company conducted a purchase of treasury shares during the fourth quarter of the fiscal year ended March 31, 2024, in accordance with its basic policy on the distribution of profits. The total return ratio for the fiscal year ended March 31, 2024, including dividends and the purchase of treasury shares, is 55.7%.

3. Consolidated Projections for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|--------------------------------------|-----------|-----|------------------|--------|-----------------|--------|---|--------|--------------------------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % | ¥ |
| Six Months Ending September 30, 2024 | 515,000 | 2.6 | 55,000 | (16.0) | 57,500 | (22.2) | 40,000 | (23.3) | 61.14 |
| Full Fiscal Year | 1,080,000 | 2.8 | 115,000 | 26.8 | 119,000 | 14.2 | 81,000 | (20.2) | 123.82 |

*** Notes**

(1) Changes in Significant Subsidiaries during the Period

(Changes in Specified Subsidiaries Resulting in the Change in Scope of Consolidation): No

(2) Changes in Accounting Policies, Changes in Accounting Estimation and Restatement

a) Changes in accounting policies due to revisions to accounting standards and other regulations: No

b) Changes in accounting policies due to other reasons: No

c) Changes in accounting estimation: No

d) Restatement: No

(3) Number of Issued Shares (Common Shares)

a) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024 666,000,000 shares

As of March 31, 2023 666,000,000 shares

b) Number of treasury shares at the end of the period

As of March 31, 2024 11,813,756 shares

As of March 31, 2023 5,949,648 shares

c) Average number of shares during the period

For the Fiscal Year Ended March 31, 2024 659,682,874 shares

For the Fiscal Year Ended March 31, 2023 660,013,710 shares

(Note) The Company conducted a share split at a ratio of three shares for every one common share on April 1, 2023. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares during the period have been calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(Reference) Non-consolidated Information

1. Non-consolidated Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

| | Operating revenue | | Operating profit | | Ordinary profit | |
|---|-------------------|-------------|------------------|-------------|-----------------|-------------|
| | ¥ million | % | ¥ million | % | ¥ million | % |
| Fiscal Year Ended March 31, 2024 | 57,845 | 40.2 | 46,979 | 49.1 | 47,527 | 45.1 |
| Fiscal Year Ended March 31, 2023 | 41,260 | (9.6) | 31,506 | (14.7) | 32,752 | (13.1) |

| | Profit | | Basic earnings per share | Diluted earnings per share |
|---|---------------|--------------|--------------------------|----------------------------|
| | ¥ million | % | ¥ | ¥ |
| Fiscal Year Ended March 31, 2024 | 77,102 | 138.6 | 116.84 | – |
| Fiscal Year Ended March 31, 2023 | 32,315 | (12.7) | 48.95 | – |

(Note) The Company conducted a share split at a ratio of three shares for every one common share on April 1, 2023. Basic earnings per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-----------------------------|----------------|----------------|--------------|----------------------|
| | ¥ million | ¥ million | % | ¥ |
| As of March 31, 2024 | 550,637 | 370,831 | 67.3 | 566.69 |
| As of March 31, 2023 | 539,691 | 369,511 | 68.5 | 559.65 |

(Reference) Equity: 370,831 million yen (as of March 31, 2024), 369,511 million yen (as of March 31, 2023)

(Note) The Company conducted a share split at a ratio of three shares for every one common share on April 1, 2023. Net assets per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

2. Non-consolidated Projections for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

| | Operating revenue | | Ordinary profit | | Profit | | Basic earnings per share |
|------------------|-------------------|------|-----------------|------|-----------|--------|-----------------------------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ |
| Full Fiscal Year | 75,000 | 29.7 | 64,000 | 34.7 | 64,000 | (17.0) | 97.80 |

* Consolidated Financial Reports are not required to be audited by certified public accountants or an audit firm.

* Explanation on appropriate use of the projections of business results, etc.

- Forward-Looking Statements:

This document contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication and those forward-looking statements do not purport to be a promise by the Company to achieve such results. A number of factors could cause actual results to differ materially from expectations. Please refer to the section of "(4) Future Outlook" of "1. Overview of Operating Results and Others" on page 4 of the attached material for matters pertaining to the earnings projections.

- To Obtain Financial Highlights:

The Financial Highlights will be posted on the Company's website on May 9, 2024.

Attached Material

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1. Overview of Operating Results and Others

(1) Overview of Operating Results for the Period (April 1, 2023 to March 31, 2024)

During the fiscal year ended March 31, 2024, while restrictions on activities due to COVID-19 were increasingly relaxed and socioeconomic activities were revitalized, the future of the economic environment around the world remained uncertain due to changes in the social situation, rising raw materials and fuel prices, and the impact of foreign exchange rate fluctuations.

Under such circumstances, from April 2022, with the introduction of our Purpose, “Fun for All into the Future,” as the ultimate definition of the Group and the introduction of a new logo, the Bandai Namco Group began a new three-year Mid-term Plan. In the Mid-term Plan, in order to achieve the aims of the Bandai Namco Group for the medium to long term based on our Purpose, “Fun for All into the Future,” we have established a Mid-term Vision of “Connect with Fans” that aims to constantly meet the needs of global IP fans, a wide range of business partners, Group employees, and communities around the world and to foster broad, deep, and multifaceted connections. As priority strategies, we are promoting our IP axis strategy, personnel strategy, and sustainability. By propelling the priority strategies, we will take advantage of the worldview and unique characteristics of IP (Intellectual Property: meaning characters and other intellectual property) to further evolve the IP axis strategy that aims to maximize IP value through the provision of the optimal products and services at the optimal times. We will also strengthen the global development of the IP axis strategy and enhance our sense of unity and collective strength under the ALL BANDAI NAMCO concept in order to achieve continuous growth.

In the fiscal year ended March 31, 2024, with the IP axis strategy at the core, the Group strengthened initiatives unified under the ALL BANDAI NAMCO concept through collaboration across regions and businesses. In Group-wide business, the Toys and Hobby Business contributed to performance, as products for the mature fan base (adults), card products, capsule toys, and other products became popular. In the Digital Business, differences in the product mix in home console games affected performance, and in addition to valuation losses related to a new title for online games, etc., a loss on disposal was recorded due to changes in the composition of titles with a view to the next Mid-term Plan.

In addition, in the fourth quarter of the fiscal year ended March 31, 2024, we recorded a gain on sales of investment securities (extraordinary gain) resulting from the sale of a portion of our cross-shareholdings. Furthermore, the Company purchased treasury shares for the purpose of improving capital efficiency through the effective use of assets held and implementing a flexible capital policy, including a return to shareholders, in response to changes in the business environment.

Consequently, the Group’s consolidated operating results for the fiscal year ended March 31, 2024 were net sales of 1,050,210 million yen (year-on-year increase of 6.1%), operating profit of 90,682 million yen (year-on-year decrease of 22.1%), ordinary profit of 104,164 million yen (year-on-year decrease of 18.6%), and profit attributable to owners of parent of 101,493 million yen (year-on-year increase of 12.3%).

Operating results by segment are as follows.

Digital Business

As for the Digital Business, in network content, while major app titles such as the *DRAGON BALL* series and *ONE PIECE* continued to show stable performance around the world due to ongoing measures for users, a new online game title fell far short of the plan. In home console games, new worldwide titles such as *ARMORED CORE VI FIRES OF RUBICON* and *TEKKEN 8* were popular. In overall home console games, the difference in the existing title product mix from the previous fiscal year, when repeat sales of *ELDEN RING* made a significant contribution, had an impact on the results.

In the Digital Business, in addition to valuation losses related to a new online game title introduced this fiscal year and other titles, a loss on disposal was recorded due to changes in the composition of titles with a view to the next Mid-term Plan. Moving forward, we will build a well-balanced and optimal title portfolio, strengthen the development system, and reinforce the development of titles to meet the expectations of our fans with an emphasis on quality.

As a result, net sales in the Digital Business were 372,667 million yen (year-on-year decrease of 3.4%), and segment profit was 6,257 million yen (year-on-year decrease of 87.3%).

Toys and Hobby Business

As for the Toys and Hobby Business, while impacted by rising prices for raw materials and fuel, the business continued to perform well due to efforts to expand product lineups in favorable categories, advance global business development, strengthen production operations, and expand touch points through real events and stores. Specifically, products for the mature fan base such as model kits of the *Gundam series*, collectible figures, and character lotteries continued to perform favorably mainly due to the successful outcomes produced by sales, marketing, and expansion of

the product lineup. In addition, card products such as the *ONE PIECE* trading card game, capsule toys, confectionery products, and food products contributed to business performance due to the expansion of product lineups, target groups, and regions of operation, as well as the strengthening of touch points with customers.

As a result, net sales in the Toys and Hobby Business were 509,880 million yen (year-on-year increase of 13.9%), and segment profit was 78,655 million yen (year-on-year increase of 32.1%).

IP Production Business

As for the IP Production Business, in video production, we created and produced several new products, including TV animations and theatrical productions. In the *Gundam series*, *Mobile Suit Gundam the Witch from Mercury* attracted a new fan base and led to strong sales of the Group's products and services. In addition, the theatrical production *Mobile Suit Gundam SEED FREEDOM* was supported by a wide range of fans and achieved the highest box-office results ever recorded by a *Gundam series* theatrical release. In addition, the performance of activities such as licensing businesses and video streaming related to video works, such as the *Gundam series*, the *LoveLive! series*, *IDOLiSH7*, *That Time I Got Reincarnated as a Slime*, and *BLUELOCK*, was stable. Furthermore, live events and Gundam Factory Yokohama, which captured inbound demand, performed well. The overall business was affected by differences in the lineup of packaged products from the previous fiscal year and higher production costs.

As a result, net sales in the IP Production Business were 82,468 million yen (year-on-year increase of 0.9%), and segment profit was 10,048 million yen (year-on-year decrease of 5.6%).

Amusement Business

As for the Amusement Business, net sales for existing amusement facilities in Japan increased to 103.0% year on year. In addition, the development of stores unique to Bandai Namco based on collaboration with the Group's products and services, such as Bandai Namco Cross Stores and GASHAPON Department Stores, performed well. In arcade games, sales of the new "Mobile Suit Gundam Extreme Vs. 2 Overboost" and update kits for popular series were strong. In addition, we continued our efforts to improve efficiency in consideration of changes in the external environment, such as rising fuel prices.

As a result, net sales in the Amusement Business were 119,667 million yen (year-on-year increase of 14.4%), and segment profit was 6,843 million yen (year-on-year increase of 13.3%).

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.

Net sales in the Other Businesses were 32,358 million yen (year-on-year increase of 3.3%), and segment profit was 988 million yen (year-on-year decrease of 15.2%).

(2) Overview of Financial Position for the Period

At the end of the fiscal year ended March 31, 2024, total assets stood at 971,838 million yen, an increase of 45,480 million yen from the end of the previous fiscal year. The main factors were increases of 41,641 million yen in cash and deposits and 19,182 million yen in notes and accounts receivable - trade, and contract assets, despite a decrease of 24,578 million yen in investment securities.

Total liabilities amounted to 272,014 million yen, a decrease of 2,209 million yen from the end of the previous fiscal year. The main factor was a decrease of 2,830 million yen in income taxes payable.

Total net assets stood at 699,823 million yen, an increase of 47,689 million yen from the end of the previous fiscal year. The main factors were increases of 55,494 million yen in retained earnings and 18,587 million yen in foreign currency translation adjustment, despite a decrease of 17,191 million yen due to purchase of treasury shares.

As a result, the equity ratio became 72.0% compared with 70.4% at the end of the previous fiscal year.

(3) Overview of Cash Flows for the Period

As of the end of the fiscal year, cash and cash equivalents ("funds") remaining on hand increased by 34,975 million yen from the end of the previous fiscal year to 311,264 million yen. Below is the breakdown of cash flows by activities.

(Cash Flows from Operating Activities)

The amount of funds provided by operating activities totaled 88,906 million yen (year-on-year decrease of 7.0%). As a breakdown of funds used, income taxes paid were 44,132 million yen (compared with 49,464 million yen in the previous

fiscal year). However, overall, there was a net increase in funds due to profit before income taxes of 146,640 million yen (compared with 126,215 million yen in the previous fiscal year).

(Cash Flows from Investing Activities)

The amount of funds provided by investing activities totaled 10,136 million yen (compared with 40,878 million yen used in the previous fiscal year). As a breakdown of funds used, purchases of property, plant and equipment and intangible assets were 34,909 million yen (compared with 33,808 million yen in the previous fiscal year). However, overall, there was a net increase in funds due to proceeds from sale of investment securities of 53,641 million yen (compared with 2 million yen in the previous fiscal year).

(Cash Flows from Financing Activities)

The amount of funds used in financing activities totaled 75,237 million yen (year-on-year increase of 26.4%). The main breakdown of funds used were dividends paid of 45,998 million yen (compared with 47,310 million yen in the previous fiscal year) and purchase of treasury shares of 17,240 million yen (compared with 4 million yen in the previous fiscal year).

(Reference) Cash Flow Indices

| | FY2020.3 | FY2021.3 | FY2022.3 | FY2023.3 | FY2024.3 |
|---|----------|----------|----------|----------|----------|
| Equity ratio (%) | 72.5 | 69.7 | 67.7 | 70.4 | 72.0 |
| Equity ratio (market capitalization basis) (%) | 185.8 | 236.6 | 236.9 | 203.0 | 190.4 |
| Cash flows to interest bearing debt ratio (years) | 0.1 | 0.5 | 0.2 | 0.2 | 0.2 |
| Interest coverage ratio (times) | 345.8 | 296.0 | 321.0 | 279.9 | 276.7 |

Equity ratio: Total shareholders' equity/Total assets

Equity ratio (market capitalization basis): Market capitalization/Total assets

Cash flows to interest bearing debt ratio: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest expenses

Note 1: All calculations are performed using consolidated financial figures.

Note 2: Market capitalization is calculated on the basis of the number of issued shares excluding treasury shares.

Note 3: Operating cash flow is used for cash flow.

Note 4: Interest-bearing debt covers all debt reported in the consolidated balance sheets for which interest is paid.

(4) Future Outlook

Looking ahead, the Group expects uncertainty to continue in various regions around the world. We also expect the changes in the environment surrounding us such as the market as well as customer lifestyles and preferences to become even more intense.

Under these circumstances, adapting to escalating competitiveness in global markets and diversification in lifestyles and preferences of customers, in line with our IP axis strategy, the Bandai Namco Group will enhance sense of unity and collective strength under the ALL BANDAI NAMCO concept, while utilizing the characteristics of each business. From April 2022, with the introduction of our Purpose, "Fun for All into the Future," as the ultimate definition of the Group and the introduction of the new logo, to maintain continuous growth over medium to long term for the aims under our Purpose, the three-year Mid-term Plan has started.

1) Formulation of Bandai Namco's Purpose, "Fun for All into the Future," and introduction of the new logo

From April 2022, we have established our new Purpose, "Fun for All into the Future," as the ultimate definition of the 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 "Connecting and working together to create things" and we will achieve "Fun for All into the Future" by Bandai Namco Group and our fans connecting through dreams, fun and inspiration. Furthermore, the Group CEO's desire to promote "Fun for All into the Future" is expressed in the phrase, "Creating a world of smiles and happiness together," and we will spread this message together with Bandai Namco's Purpose.

<Bandai Namco's Purpose>

Fun for All into the Future

Bandai Namco exists to share dreams, fun and inspiration with people around the world.

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

From April 2022, we have introduced a new logo that expresses the spirit of our Purpose. All companies with “Bandai Namco” in their names will use this logo, and companies with and without “Bandai Namco” in their names will display this new Group logo on all their products and services, in principle. This will enable us to bring together the value of all our products, services, and labels under one logo, make the Group's sense of unity and its total capabilities appeal strongly, and elevate the brand value of the Bandai Namco Group in the global market.

<New logo>



2) Our aims driven by our Purpose “Fun for All into the Future”

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

3) Mid-term Vision

Connect with Fans

In order to achieve the aims of the Bandai Namco Group based on our Purpose, “Fun for All into the Future,” under the Mid-term Plan, we will strive to constantly meet the needs of global IP fans, a wide range of business partners, Group employees, and communities around the world and to foster broad, deep, and multifaceted connections.

4) Main strategies and investment plan

IP axis strategy

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

- IP x Fans (connecting with fans through IP): New framework for connecting with fans

Based on the IP axis, Bandai Namco will develop an IP Metaverse as a new framework for connecting with fans. In this IP Metaverse, we are anticipating virtual spaces that will enable customers to enjoy a wide range of entertainment surrounding IP, as well as frameworks that leverage Bandai Namco's distinctive strengths to fuse physical products and venues with digital elements. We are aiming for open frameworks that provide venues for connections with and among fans and business partners. Through the IP Metaverse, we will establish

communities among Bandai Namco and fans, as well as among fans themselves. Through these communities and content, we will build broad, deep, multifaceted connections that continue for long periods of time, and we will focus on the quality of those connections. In this way, we will work to maximize IP value over the medium to long term.

- IP x Value (enhancing IP value): Accelerating evolution in the IP axis strategy
We will leverage outlets for a wide range of products and services as well as our strengths in facilitating collaboration among physical and digital elements, and we will redefine the optimal IP axis strategy for IP fans and for IP itself. In these ways, we will aim to accelerate evolution in the IP axis strategy.
- IP x World (connecting the world through IP): Building businesses under the ALL BANDAI NAMCO concept
To work together and advance our strategies under the ALL BANDAI NAMCO concept in regions worldwide, we have implemented such initiatives as organizational restructuring and base consolidation around the world. Under this ALL BANDAI NAMCO concept, we work to build businesses in each region.
- Investment plan for accelerating evolution in the IP axis strategy
Over the three years of the Mid-term Plan, we will implement a total of 40.0 billion yen in strategic investment to accelerate evolution in the IP axis strategy.

| | |
|--|------------------|
| Strategic investment to maximize IP value: | 25.0 billion yen |
| Investment to develop the IP Metaverse: | 15.0 billion yen |

Personnel strategy: Developing diverse human resources

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

Sustainability: Connecting to smiles into the future

Under the “Purpose, ‘Fun for All into the Future,’” and “Bandai Namco Group Sustainability Policy,” the Group has identified five themes that particularly require focused efforts as material issues. We are promoting various specific action plans linked to our businesses, such as initiatives to eliminate petroleum-derived plastics and the collection and recycling of model kits runners and empty capsules. Furthermore, in order to address the problems related to the natural environment that society is faced with, we have set targets for the reduction of carbon dioxide emissions from the use of energy as well as steps to achieve them and strive to advance our efforts for decarbonization.

<Bandai Namco Group’s 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.

<Material Issues that we have identified>

- 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

In addition, on November 1, 2023, the Bandai Namco Group Human Rights Policy was established, which clearly stipulates the Bandai Namco Group’s policy regarding respect for human rights. Going forward, we will fulfill our responsibility to respect the human rights of all stakeholders involved in the Group’s business activities by aiming to continue to create a brighter future with people around the world through entertainment that awakens our humanity and connects us with others, with society, and with the world, as represented by Bandai Namco’s Purpose “Fun for All into the Future.”

5) System for promotion of the Mid-term Plan

- Strengthening the governance system of Bandai Namco Holdings

The Company transitioned to a company with an audit and supervisory committee in June 2022, in order to strengthen its corporate governance system and further enhance corporate value through speedy decision-making and business execution.

- Partial changes of the Unit structure

From April 2022, we restructured the IP Production Unit and also integrated the Visual and Music Business and the Creation Business into the IP Production Business. In the IP Production Unit, Bandai Namco Filmworks Inc. will serve as a business management company upon having combined three companies that engage in the visual business within the IP Production Unit, namely SUNRISE INC., the visual business of Bandai Namco Arts Inc., and Bandai Namco Rights Marketing Inc.

6) Numerical targets in the Mid-term Plan

- Fiscal year ending March 31, 2025: Numerical targets

| | |
|--------------------------------|---------------------|
| Consolidated net sales: | 1,100.0 billion yen |
| Consolidated operating profit: | 125.0 billion yen |
| ROE: | 12% or more |

* The numerical targets (consolidated net sales and consolidated operating profit) for the fiscal year ending March 31, 2025 have been revised as shown in the consolidated projections for the fiscal year ending March 31, 2025 in this report.

In the future, the Bandai Namco Group aims to constantly meet the needs of global IP fans, a wide range of business partners, Group employees, and communities around the world and to foster broad, deep, multifaceted connection, and each business around the world will further work as one under the ALL BANDAI NAMCO concept on the priority strategies, consisting of the IP axis strategy, Personnel strategy, and Sustainability, under the Mid-term Plan.

(5) Basic Policy on the Distribution of Profits and Dividends for the Current and Next Fiscal Year

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.

For the year-end dividend of the fiscal year ended March 31, 2024, based on this basic policy, a performance-based dividend of 40 yen will be added to a base dividend of 10 yen, for a total of 50 yen per share. Since the Company paid an interim dividend of 10 yen per share on December 8, 2023, the annual cash dividend will be 60 yen per share. Furthermore, in the fourth quarter of the fiscal year ended March 31, 2024, the Company purchased treasury shares in order to improve capital efficiency through the effective use of assets held and to implement a flexible capital policy, including a return to shareholders, in response to changes in the business environment. The total number of purchased treasury shares was 6,000,000 shares for a total purchase price of 17,237 million yen, resulting in a total return ratio of 55.7% when taking into account dividends and this purchase of treasury shares. As described in "Notice Regarding Cancellation of Treasury Shares" announced today (May 9, 2024), the Company plans to cancel 6,000,000 shares on May 21, 2024, which is the same number as the number of purchased treasury shares above.

The Company's annual dividend forecast for the fiscal year ending March 31, 2025 is 22 yen per share, which is the base dividend set in accordance with the Company's basic policy on the distribution of profits. The year-end cash dividend for the fiscal year ending March 31, 2025 will be considered by the Company based on the basic policy on the distribution of profits.

2. Basic Concept Regarding Selection of Accounting Standards

The Group plans to continue using Japanese GAAP to prepare its consolidated financial statements for the time being, as they facilitate comparison with previous consolidated financial statements and with other companies.

The Group's policy on applying International Financial Reporting Standards is to take action as appropriate based on considerations of various conditions in Japan and overseas.

3. Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

(¥ million)

| | Prior Fiscal Year (As of March 31, 2023) | Current Fiscal Year (As of March 31, 2024) |
|--|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 280,226 | 321,868 |
| Notes and accounts receivable - trade, and contract assets | 99,007 | 118,190 |
| Merchandise and finished goods | 41,324 | 40,170 |
| Work in process | 104,835 | 92,665 |
| Raw materials and supplies | 6,063 | 7,761 |
| Other | 62,266 | 63,042 |
| Allowance for doubtful accounts | (1,086) | (1,075) |
| Total current assets | 592,637 | 642,622 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 44,724 | 47,640 |
| Accumulated depreciation | (25,549) | (27,231) |
| Buildings and structures, net | 19,174 | 20,408 |
| Amusement facilities and machines | 59,443 | 65,103 |
| Accumulated depreciation | (50,944) | (50,925) |
| Amusement facilities and machines, net | 8,499 | 14,177 |
| Land | 46,476 | 46,702 |
| Right-of-use assets | 13,967 | 18,165 |
| Accumulated depreciation | (4,800) | (8,185) |
| Right-of-use assets, net | 9,167 | 9,979 |
| Other | 158,272 | 175,148 |
| Accumulated depreciation | (134,132) | (147,780) |
| Other, net | 24,140 | 27,367 |
| Total property, plant and equipment | 107,458 | 118,636 |
| Intangible assets | | |
| Goodwill | 14,561 | 11,608 |
| Other | 21,622 | 20,568 |
| Total intangible assets | 36,183 | 32,176 |
| Investments and other assets | | |
| Investment securities | 140,706 | 116,127 |
| Deferred tax assets | 27,572 | 33,976 |
| Retirement benefit asset | 596 | 6,123 |
| Other | 21,860 | 22,920 |
| Allowance for doubtful accounts | (656) | (744) |
| Total investments and other assets | 190,078 | 178,403 |
| Total non-current assets | 333,720 | 329,215 |
| Total assets | 926,358 | 971,838 |

(¥ million)

| | Prior Fiscal Year (As of March 31, 2023) | Current Fiscal Year (As of March 31, 2024) |
|--|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 99,244 | 99,254 |
| Income taxes payable | 26,022 | 23,192 |
| Contract liabilities | 22,567 | 27,728 |
| Provision for bonuses for directors (and other officers) | 2,119 | 1,315 |
| Other provisions | 1,958 | 1,780 |
| Other | 95,409 | 90,848 |
| Total current liabilities | 247,323 | 244,119 |
| Non-current liabilities | | |
| Other provisions | 118 | – |
| Retirement benefit liability | 3,710 | 4,925 |
| Deferred tax liabilities for land revaluation | 199 | 199 |
| Other | 22,872 | 22,770 |
| Total non-current liabilities | 26,901 | 27,895 |
| Total liabilities | 274,224 | 272,014 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 10,000 | 10,000 |
| Capital surplus | 52,897 | 53,321 |
| Retained earnings | 523,923 | 579,417 |
| Treasury shares | (2,102) | (19,293) |
| Total shareholders' equity | 584,718 | 623,445 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 62,671 | 49,262 |
| Deferred gains or losses on hedges | (656) | 1,022 |
| Revaluation reserve for land | (4,016) | (4,016) |
| Foreign currency translation adjustment | 11,049 | 29,637 |
| Remeasurements of defined benefit plans | (1,915) | 166 |
| Total accumulated other comprehensive income | 67,132 | 76,071 |
| Non-controlling interests | 282 | 306 |
| Total net assets | 652,133 | 699,823 |
| Total liabilities and net assets | 926,358 | 971,838 |

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Operations)

(¥ million)

| | Prior Fiscal Year (From April 1, 2022 to March 31, 2023) | Current Fiscal Year (From April 1, 2023 to March 31, 2024) |
|---|--|--|
| Net sales | 990,089 | 1,050,210 |
| Cost of sales | 621,433 | 679,251 |
| Gross profit | 368,656 | 370,959 |
| Selling, general and administrative expenses | 252,183 | 280,277 |
| Operating profit | 116,472 | 90,682 |
| Non-operating income | | |
| Interest income | 1,178 | 2,689 |
| Dividend income | 1,460 | 1,630 |
| Share of profit of entities accounted for using equity method | 2,323 | 2,121 |
| Foreign exchange gains | 5,010 | 6,417 |
| Other | 2,122 | 1,641 |
| Total non-operating income | 12,095 | 14,501 |
| Non-operating expenses | | |
| Interest expenses | 332 | 310 |
| Loss on valuation of derivatives | – | 184 |
| Non-deductible consumption tax | 2 | 114 |
| Loss on investments in deferred compensation plan | 144 | 282 |
| Other | 82 | 128 |
| Total non-operating expenses | 561 | 1,018 |
| Ordinary profit | 128,006 | 104,164 |
| Extraordinary income | | |
| Gain on sale of investment securities | 0 | 45,517 |
| Subsidies for employment adjustment and other related to COVID-19 | 132 | – |
| Other | 663 | 847 |
| Total extraordinary income | 796 | 46,365 |
| Extraordinary losses | | |
| Impairment losses | 1,251 | 1,674 |
| Loss on valuation of investment securities | 553 | 751 |
| Loss on retirement of non-current assets | 506 | 476 |
| Provision for loss on land remediation | – | 550 |
| Other | 276 | 436 |
| Total extraordinary losses | 2,587 | 3,889 |
| Profit before income taxes | 126,215 | 146,640 |
| Income taxes - current | 42,669 | 46,682 |
| Income taxes - deferred | (6,799) | (1,556) |
| Total income taxes | 35,870 | 45,125 |
| Profit | 90,345 | 101,515 |
| Profit attributable to non-controlling interests | 0 | 21 |
| Profit attributable to owners of parent | 90,345 | 101,493 |

(Consolidated Statements of Comprehensive Income)

(¥ million)

| | Prior Fiscal Year (From April 1, 2022 to March 31, 2023) | Current Fiscal Year (From April 1, 2023 to March 31, 2024) |
|--|--|--|
| Profit | 90,345 | 101,515 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 17,688 | (13,606) |
| Deferred gains or losses on hedges | (1,554) | 1,676 |
| Foreign currency translation adjustment | 9,164 | 18,590 |
| Remeasurements of defined benefit plans, net of tax | 478 | 2,081 |
| Share of other comprehensive income of entities accounted for using equity method | (57) | 199 |
| Total other comprehensive income | 25,719 | 8,941 |
| Comprehensive income | 116,064 | 110,456 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 116,063 | 110,432 |
| Comprehensive income attributable to non-controlling interests | 0 | 23 |

(3) Consolidated Statements of Changes in Equity

Prior Fiscal Year (From April 1, 2022 to March 31, 2023)

(¥ million)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 10,000 | 52,574 | 482,147 | (2,140) | 542,581 |
| Changes during period | | | | | |
| Dividends of surplus | | | (47,310) | | (47,310) |
| Profit attributable to owners of parent | | | 90,345 | | 90,345 |
| Change in scope of consolidation | | | (1,258) | | (1,258) |
| Change in scope of consolidation - foreign currency translation adjustment | | | | | - |
| Purchase of treasury shares | | | | (4) | (4) |
| Disposal of treasury shares | | 323 | | 42 | 365 |
| Change in treasury shares arising from change in equity in entities accounted for using equity method | | | | 0 | 0 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | 323 | 41,775 | 38 | 42,136 |
| Balance at end of period | 10,000 | 52,897 | 523,923 | (2,102) | 584,718 |

| | Accumulated other comprehensive income | | | | | | Non-controlling interests | Total net assets |
|---|---|------------------------------------|------------------------------|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 45,037 | 901 | (4,016) | 1,886 | (2,394) | 41,413 | 237 | 584,233 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (47,310) |
| Profit attributable to owners of parent | | | | | | | | 90,345 |
| Change in scope of consolidation | | | | | | | 44 | (1,214) |
| Change in scope of consolidation - foreign currency translation adjustment | | | | 223 | | 223 | | 223 |
| Purchase of treasury shares | | | | | | | | (4) |
| Disposal of treasury shares | | | | | | | | 365 |
| Change in treasury shares arising from change in equity in entities accounted for using equity method | | | | | | | | 0 |
| Net changes in items other than shareholders' equity | 17,634 | (1,557) | – | 8,940 | 478 | 25,495 | 0 | 25,495 |
| Total changes during period | 17,634 | (1,557) | – | 9,163 | 478 | 25,718 | 44 | 67,900 |
| Balance at end of period | 62,671 | (656) | (4,016) | 11,049 | (1,915) | 67,132 | 282 | 652,133 |

Current Fiscal Year (From April 1, 2023 to March 31, 2024)

(¥ million)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 10,000 | 52,897 | 523,923 | (2,102) | 584,718 |
| Changes during period | | | | | |
| Dividends of surplus | | | (45,998) | | (45,998) |
| Profit attributable to owners of parent | | | 101,493 | | 101,493 |
| Purchase of treasury shares | | | | (17,240) | (17,240) |
| Disposal of treasury shares | | 423 | | 48 | 472 |
| Change in treasury shares arising from change in equity in entities accounted for using equity method | | | | 0 | 0 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | 423 | 55,494 | (17,191) | 38,726 |
| Balance at end of period | 10,000 | 53,321 | 579,417 | (19,293) | 623,445 |

| | Accumulated other comprehensive income | | | | | | Non-controlling interests | Total net assets |
|---|---|------------------------------------|------------------------------|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 62,671 | (656) | (4,016) | 11,049 | (1,915) | 67,132 | 282 | 652,133 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (45,998) |
| Profit attributable to owners of parent | | | | | | | | 101,493 |
| Purchase of treasury shares | | | | | | | | (17,240) |
| Disposal of treasury shares | | | | | | | | 472 |
| Change in treasury shares arising from change in equity in entities accounted for using equity method | | | | | | | | 0 |
| Net changes in items other than shareholders' equity | (13,409) | 1,678 | – | 18,587 | 2,081 | 8,939 | 23 | 8,963 |
| Total changes during period | (13,409) | 1,678 | – | 18,587 | 2,081 | 8,939 | 23 | 47,689 |
| Balance at end of period | 49,262 | 1,022 | (4,016) | 29,637 | 166 | 76,071 | 306 | 699,823 |

(4) Consolidated Statements of Cash Flows

(¥ million)

| | Prior Fiscal Year (From April 1, 2022 to March 31, 2023) | Current Fiscal Year (From April 1, 2023 to March 31, 2024) |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 126,215 | 146,640 |
| Depreciation | 28,671 | 38,364 |
| Impairment losses | 1,251 | 1,674 |
| Amortization of goodwill | 2,431 | 2,676 |
| Increase (decrease) in allowance for doubtful accounts | (1,169) | (86) |
| Increase (decrease) in provision for bonuses for directors (and other officers) | (71) | (817) |
| Increase (decrease) in other provisions | 263 | (314) |
| Increase (decrease) in retirement benefit liability | 138 | 230 |
| Interest and dividend income | (2,639) | (4,320) |
| Interest expenses | 332 | 310 |
| Foreign exchange losses (gains) | (21) | 637 |
| Share of loss (profit) of entities accounted for using equity method | (2,323) | (2,121) |
| Loss (gain) on valuation of derivatives | (309) | 184 |
| Loss on retirement of non-current assets | 506 | 476 |
| Loss on retirement of amusement facilities and machines | 228 | 106 |
| Loss (gain) on sale of investment securities | (0) | (45,517) |
| Loss (gain) on valuation of investment securities | 553 | 751 |
| Loss on investments in deferred compensation plan | 144 | 282 |
| Decrease (increase) in trade receivables | 28,484 | (15,360) |
| Decrease (increase) in inventories | (26,107) | 15,369 |
| Acquisition of amusement facilities and machines | (5,180) | (8,537) |
| Increase (decrease) in trade payables | (1,595) | (1,880) |
| Increase (decrease) in contract liabilities | (894) | 4,361 |
| Decrease (increase) in other current assets | (1,769) | (1,911) |
| Increase (decrease) in other current liabilities | (2,013) | 1,320 |
| Other | (2,273) | (3,955) |
| Subtotal | 142,852 | 128,562 |
| Interest and dividends received | 2,579 | 4,290 |
| Interest paid | (341) | (321) |
| Income taxes refund (paid) | (49,464) | (44,132) |
| Proceeds from compensation | – | 508 |
| Net cash provided by (used in) operating activities | 95,625 | 88,906 |

(¥ million)

| | Prior Fiscal Year (From April 1, 2022 to March 31, 2023) | Current Fiscal Year (From April 1, 2023 to March 31, 2024) |
|---|--|--|
| Cash flows from investing activities | | |
| Payments into time deposits | (2,824) | (9,480) |
| Proceeds from withdrawal of time deposits | 438 | 3,504 |
| Purchase of property, plant and equipment | (25,376) | (24,699) |
| Proceeds from sale of property, plant and equipment | 99 | 86 |
| Purchase of intangible assets | (8,431) | (10,210) |
| Purchase of investment securities | (513) | (716) |
| Proceeds from sale of investment securities | 2 | 53,641 |
| Purchase of shares of subsidiaries and associates | (551) | (1,797) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (2,019) | - |
| Payments for sale of shares of subsidiaries resulting in change in scope of consolidation | (114) | - |
| Other | (1,587) | (191) |
| Net cash provided by (used in) investing activities | (40,878) | 10,136 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (179) | 157 |
| Proceeds from long-term borrowings | 180 | - |
| Repayments of long-term borrowings | (10,382) | (10,206) |
| Purchase of treasury shares | (4) | (17,240) |
| Proceeds from disposal of treasury shares | 0 | 0 |
| Dividends paid | (47,310) | (45,998) |
| Proceeds from share issuance to non-controlling shareholders | 9 | - |
| Other | (1,837) | (1,949) |
| Net cash provided by (used in) financing activities | (59,524) | (75,237) |
| Effect of exchange rate change on cash and cash equivalents | 3,174 | 11,170 |
| Net increase (decrease) in cash and cash equivalents | (1,602) | 34,975 |
| Cash and cash equivalents at beginning of period | 277,891 | 276,288 |
| Cash and cash equivalents at end of period | 276,288 | 311,264 |

(5) Notes to Consolidated Financial Statements
(Notes on Premise of Going Concern)

Not applicable.

(Segment Information)

a. Segment Information

1. Overview of reportable segments

The reportable segments of the Company are components of the Group whose separate financial information is available and which are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance.

The Group is made up of (1) three Units, one for each business domain, namely the Entertainment Unit (Digital Business, Toys and Hobby Business), the IP Production Unit, and the Amusement Unit, and (2) the affiliated business companies that mainly serve a supporting role for these Units. The business management company of each business leads the planning and promotion of the business strategies of the business for Japan and overseas.

Accordingly, the Group has the following four reportable segments: Digital Business, Toys and Hobby Business, IP Production Business, and Amusement Business.

The Digital Business conducts planning, development and distribution of network content, and planning, development and sales of home console games. The Toys and Hobby Business conducts planning, development, production and sales of toys, capsule toys, cards, confectionery and foods, apparel, sundries, model kits, prizes, stationery, and other products. The IP Production Business conducts planning, production and management of visual and music content such as animations, management and administration of copyrights and other rights, artist discovery and development, and live entertainment operations. The Amusement Business conducts planning, development, production, sales and after-service for amusement machines, and planning and operation of amusement facilities including theme parks and indoor playgrounds.

2. Method for calculating the amounts of net sales, profit/loss, assets, liabilities and others by reportable segment

The accounting method used for the business segments reported is the same as the accounting method stated in “Important Information Constituting the Basis for Preparation of Consolidated Financial Statements” presented in the most recent annual security report (filed on June 19, 2023).

The profit of reportable segments is measured by operating profit.

The inter-segment transactions are based on prevailing market prices.

3. Information regarding the amounts of net sales, profit/loss, assets, liabilities and others by reportable segment

Prior Fiscal Year (From April 1, 2022 to March 31, 2023)

(¥ million)

| | Reportable segments | | | | | Other (Note 1) | Total | Adjust- ments (Note 2) | Consoli- dated Total (Note 3) |
|---|---------------------|-------------------------------|--------------------------------|----------------------------|-----------|-------------------|-----------|------------------------------|--|
| | Digital Business | Toys and Hobby Business | IP Produc- tion Business | Amuse- ment Business | Subtotal | | | | |
| Net sales | | | | | | | | | |
| To external customers | 381,146 | 432,705 | 66,300 | 103,172 | 983,324 | 6,764 | 990,089 | – | 990,089 |
| Inter-segment sales and transfers | 4,535 | 14,786 | 15,448 | 1,429 | 36,199 | 24,548 | 60,748 | (60,748) | – |
| Total | 385,681 | 447,491 | 81,748 | 104,602 | 1,019,524 | 31,313 | 1,050,837 | (60,748) | 990,089 |
| Segment profit | 49,339 | 59,538 | 10,645 | 6,038 | 125,561 | 1,165 | 126,726 | (10,254) | 116,472 |
| Segment assets | 263,030 | 217,095 | 82,493 | 64,775 | 627,395 | 27,835 | 655,231 | 271,127 | 926,358 |
| Others | | | | | | | | | |
| Depreciation | 4,640 | 16,562 | 1,220 | 3,652 | 26,074 | 772 | 26,846 | 1,825 | 28,671 |
| Amortization of goodwill | 168 | 396 | 1,866 | – | 2,431 | – | 2,431 | – | 2,431 |
| Impairment losses | – | 58 | 3 | 1,188 | 1,251 | – | 1,251 | – | 1,251 |
| Investment in entities accounted for using equity method | – | 3,008 | – | – | 3,008 | 10,250 | 13,259 | – | 13,259 |
| Increase in property, plant and equipment and intangible assets | 7,570 | 27,000 | 1,992 | 7,210 | 43,773 | 741 | 44,514 | 1,223 | 45,737 |

Notes: 1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services for each of the Group companies are classified.

2. The details of adjustment amounts are as follows:

- (1) Included in the 10,254 million yen deducted from segment profit as adjustment are an addition of 872 million yen in inter-segment eliminations, and a deduction of 11,126 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administration division that has not been attributed to a reportable segment.
- (2) Included in the 271,127 million yen added to segment assets as adjustment are a deduction of 32,587 million yen in inter-segment eliminations, and an addition of 303,714 million yen in corporate assets that cannot be allocated to any reportable segment. The corporate assets are mainly cash and deposits, investment securities, and assets, etc., related to the administration division that has not been attributed to a reportable segment.
- (3) Included in the 1,825 million yen added to depreciation as adjustment are a deduction of 35 million yen in inter-segment eliminations, and an addition of 1,860 million yen in depreciation related to the administration division that has not been attributed to a reportable segment.
- (4) Included in the 1,223 million yen added to increase in property, plant and equipment and intangible assets as adjustment is the amount of corporate assets that cannot be allocated to any reportable segment.

3. Segment profit is adjusted with operating profit in the consolidated statements of operations.

Current Fiscal Year (From April 1, 2023 to March 31, 2024)

(¥ million)

| | Reportable segments | | | | | Other (Note 1) | Total | Adjust- ments (Note 2) | Consoli- dated Total (Note 3) |
|---|---------------------|-------------------------------|--------------------------------|----------------------------|-----------|-------------------|-----------|------------------------------|--|
| | Digital Business | Toys and Hobby Business | IP Produc- tion Business | Amuse- ment Business | Subtotal | | | | |
| Net sales | | | | | | | | | |
| To external customers | 366,110 | 491,204 | 68,407 | 118,636 | 1,044,357 | 5,853 | 1,050,210 | – | 1,050,210 |
| Inter-segment sales and transfers | 6,557 | 18,676 | 14,061 | 1,031 | 40,325 | 26,505 | 66,830 | (66,830) | – |
| Total | 372,667 | 509,880 | 82,468 | 119,667 | 1,084,683 | 32,358 | 1,117,041 | (66,830) | 1,050,210 |
| Segment profit | 6,257 | 78,655 | 10,048 | 6,843 | 101,805 | 988 | 102,793 | (12,111) | 90,682 |
| Segment assets | 258,161 | 235,523 | 69,614 | 72,606 | 635,906 | 27,323 | 663,230 | 308,608 | 971,838 |
| Others | | | | | | | | | |
| Depreciation | 9,290 | 20,214 | 1,135 | 5,556 | 36,197 | 797 | 36,994 | 1,370 | 38,364 |
| Amortization of goodwill | 344 | 472 | 1,859 | – | 2,676 | – | 2,676 | – | 2,676 |
| Impairment losses | 1,446 | 25 | 10 | 192 | 1,674 | – | 1,674 | – | 1,674 |
| Investment in entities accounted for using equity method | – | 4,380 | – | – | 4,380 | 10,668 | 15,048 | – | 15,048 |
| Increase in property, plant and equipment and intangible assets | 7,227 | 27,685 | 839 | 11,228 | 46,981 | 554 | 47,535 | 1,580 | 49,116 |

Notes: 1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services for each of the Group companies are classified.

2. The details of adjustment amounts are as follows:

- (1) Included in the 12,111 million yen deducted from segment profit as adjustment are an addition of 313 million yen in inter-segment eliminations, and a deduction of 12,425 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administration division that has not been attributed to a reportable segment.
- (2) Included in the 308,608 million yen added to segment assets as adjustment are a deduction of 35,485 million yen in inter-segment eliminations, and an addition of 344,093 million yen in corporate assets that cannot be allocated to any reportable segment. The corporate assets are mainly cash and deposits, investment securities, and assets, etc., related to the administration division that has not been attributed to a reportable segment.
- (3) Included in the 1,370 million yen added to depreciation as adjustment are a deduction of 30 million yen in inter-segment eliminations, and an addition of 1,400 million yen in depreciation related to the administration division that has not been attributed to a reportable segment.
- (4) Included in the 1,580 million yen added to increase in property, plant and equipment and intangible assets as adjustment is the amount of corporate assets that cannot be allocated to any reportable segment.

3. Segment profit is adjusted with operating profit in the consolidated statements of operations.

b. Related Information**Prior Fiscal Year (From April 1, 2022 to March 31, 2023)****1. Information by product and service**

This information is omitted because the same information has been presented in Segment Information.

2. Information by region**(1) Net sales**

(¥ million)

| Japan | Americas | Europe | Asia | Total |
|---------|----------|---------|---------|---------|
| 577,998 | 172,517 | 117,526 | 122,047 | 990,089 |

Note: Net sales are classified by country and region based on customer location.

(2) Property, plant and equipment

(¥ million)

| Japan | Americas | Europe | Asia | Total |
|--------|----------|--------|-------|---------|
| 85,557 | 5,021 | 8,377 | 8,500 | 107,458 |

3. Information by major customer

(¥ million)

| Name of customer | Net sales | Names of related segments |
|------------------|-----------|--|
| Apple Inc. | 113,099 | Digital Business and Toys and Hobby Business |

Note: Apple Inc. is a platform-provision company. The actual results of sales to this company are usage fees, etc. for users (ordinary users) of game services provided by the Group.

Current Fiscal Year (From April 1, 2023 to March 31, 2024)**1. Information by product and service**

This information is omitted because the same information has been presented in Segment Information.

2. Information by region**(1) Net sales**

(¥ million)

| Japan | Americas | Europe | Asia | Total |
|---------|----------|---------|---------|-----------|
| 624,539 | 165,678 | 129,017 | 130,975 | 1,050,210 |

Note: Net sales are classified by country and region based on customer location.

(2) Property, plant and equipment

(¥ million)

| Japan | Americas | Europe | Asia | Total |
|--------|----------|--------|-------|---------|
| 94,006 | 5,094 | 10,430 | 9,104 | 118,636 |

3. Information by major customer

(¥ million)

| Name of customer | Net sales | Names of related segments |
|------------------|-----------|---|
| Apple Inc. | 108,143 | Digital Business, Toys and Hobby Business, and IP Production Business |

Note: Apple Inc. is a platform-provision company. The actual results of sales to this company are usage fees, etc. for users (ordinary users) of game services provided by the Group.

c. Information Regarding Impairment Losses of Non-current Assets by Reportable Segment

Prior Fiscal Year (From April 1, 2022 to March 31, 2023)

This information is omitted because the same information has been presented in Segment Information.

Current Fiscal Year (From April 1, 2023 to March 31, 2024)

This information is omitted because the same information has been presented in Segment Information.

d. Information Regarding Amortized Amounts and Unamortized Balance of Goodwill by Reportable Segment

Prior Fiscal Year (From April 1, 2022 to March 31, 2023)

(¥ million)

| | Digital Business | Toys and Hobby Business | IP Production Business | Amusement Business | Other | Eliminations and Corporate | Total |
|---------------------|------------------|-------------------------|------------------------|--------------------|-------|----------------------------|--------|
| Amortized amount | 168 | 396 | 1,866 | – | – | – | 2,431 |
| Unamortized balance | 1,565 | 767 | 12,227 | – | – | – | 14,561 |

Current Fiscal Year (From April 1, 2023 to March 31, 2024)

(¥ million)

| | Digital Business | Toys and Hobby Business | IP Production Business | Amusement Business | Other | Eliminations and Corporate | Total |
|---------------------|------------------|-------------------------|------------------------|--------------------|-------|----------------------------|--------|
| Amortized amount | 344 | 472 | 1,859 | – | – | – | 2,676 |
| Unamortized balance | 931 | 308 | 10,368 | – | – | – | 11,608 |

e. Information Regarding Gain on Negative Goodwill by Reportable Segment

Prior Fiscal Year (From April 1, 2022 to March 31, 2023)

Not applicable.

Current Fiscal Year (From April 1, 2023 to March 31, 2024)

Not applicable.

(Per-Share Data)

| | Prior Fiscal Year (From April 1, 2022 to March 31, 2023) | Current Fiscal Year (From April 1, 2023 to March 31, 2024) |
|--------------------------|---|---|
| Net assets per share | 987.58 yen | 1,069.29 yen |
| Basic earnings per share | 136.88 yen | 153.85 yen |

- Notes: 1. Diluted earnings per share is not presented since no potential shares exist.
2. The Company conducted a share split with a ratio of three shares for every one share of common share on April 1, 2023. Net assets per share and basic earnings per share were calculated assuming that the share split was conducted at the beginning of the previous financial year.
3. The basis of calculating basic earnings per share is as follows:

| | Prior Fiscal Year (From April 1, 2022 to March 31, 2023) | Current Fiscal Year (From April 1, 2023 to March 31, 2024) |
|--|---|---|
| Basic earnings per share | | |
| Profit attributable to owners of parent (¥ million) | 90,345 | 101,493 |
| Amount not applicable to common shareholders (¥ million) | – | – |
| Profit attributable to owners of parent available to common share (¥ million) | 90,345 | 101,493 |
| Average number of common share outstanding (shares) | 660,013,710 | 659,682,874 |

(Significant Subsequent Events)

(Cancellation of treasury shares)

At the Board of Directors meeting held on May 9, 2024, the Company approved a resolution to cancel treasury shares as described below pursuant to the provisions of Article 178 of the Companies Act.

- | | |
|---|--|
| 1. Class of shares to be cancelled | Common shares of the Company |
| 2. Number of shares to be cancelled | 6,000,000 shares (0.9% of total number of issued shares before cancellation) |
| 3. Total number of issued shares after cancellation | 660,000,000 shares |
| 4. Scheduled date of cancellation | May 21, 2024 |

4. Other

Changes in Directors and Audit & Supervisory Board Members

1) Change in Representative

Not applicable.

2) Other Changes in Directors and Audit & Supervisory Board Members

New candidates for Director

Director, Audit & Supervisory Committee Member

Takashi Kaneko (current position: Executive Officer)

Retiring Director

Director, Audit & Supervisory Committee Member

Masataka Nagaike

3) Scheduled Date of Assuming Office and Retirement

June 24, 2024

4) Responsible Area of Directors (Effective June 24, 2024)

| | |
|-------------------|--|
| Masaru Kawaguchi | President and Representative Director, Group CEO |
| Yuji Asako | Director, CFO, CISO, and CSO (Chief Sustainability Officer) in charge of Corporate Planning Division and Group Administrative Headquarters |
| Nobuhiko Momoi | Director and General Manager of Group Business Strategy Department |
| Nao Udagawa | Director (Part-time) in charge of Digital Business of Entertainment Unit |
| Kazuhiro Takenaka | Director (Part-time) in charge of Toys and Hobby Business of Entertainment Unit |
| Makoto Asanuma | Director (Part-time) in charge of IP Production Unit |
| Hiroshi Kawasaki | Director (Part-time) in charge of Amusement Unit |
| Shuji Ohtsu | Director (Part-time) and CIO in charge of Bandai Namco Business Arc Inc. |
| Toshio Shimada | Director (Part-time and Outside) |
| Koichi Kawana | Director (Part-time and Outside) |
| Takashi Kaneko | Director, Audit & Supervisory Committee Member |
| Toru Shinoda | Director, Audit & Supervisory Committee Member (Outside) |
| Satoko Kuwabara | Director, Audit & Supervisory Committee Member (Part-time and Outside) |
| Takayuki Komiya | Director, Audit & Supervisory Committee Member (Part-time and Outside) |