

Modern Slavery Act Transparency Statement for FY2021

Pursuant to Section 54 of the United Kingdom's Modern Slavery Act 2015, Bandai Namco Holdings Inc. (hereinafter "the Company") has prepared the following statement with respect to measures to prevent slavery, human trafficking, and other violations of human rights in the businesses and supply chains of the Bandai Namco Group (hereinafter "the Group").

1. Bandai Namco Group's Organization Structure, Business Overview, and Supply Chain

In accordance with Bandai Namco's Purpose, "Fun for All into the Future," the Company and the Group aim to work together with people around the world to continue creating a future for everyone where people and societies are connected with dreams, fun and inspiration.

In the fiscal year ended March 2022 (hereinafter FY2021), the Group conducted business activities under the management of the Company (head office: Minato-ku, Tokyo, Japan), which is a pure holding company, and in accordance with the IP axis strategy, which aims to maximize the value of IPs (characters and other intellectual properties) by delivering the best products and services at the best possible times. These business activities were conducted through five business segments*: the Digital Business, Toys and Hobby Business, Visual and Music Business, Creation Business, and Amusement Business, and through affiliated business companies, which mainly serve a supporting role for the business segments. The business management company in charge of each business segment was primarily in charge of developing and implementing business strategies in Japan and abroad.

Below is a summary of the main business activities in each of our business segments, as well as the business management company responsible for them (as of March 31, 2022):

- Digital Business (Business Management Company: Bandai Namco Entertainment Inc.)
Planning, development, and distribution of network content; Planning, development, and sales of home gaming content, etc.
- Toys and Hobby Business (Business Management Company: BANDAI CO., LTD.)
Planning, development, manufacture, and sales of toys, capsule toys, cards, confectionery and food products, apparel, household goods, plastic models, giveaways, stationery, etc.
- Visual and Music Business (Business Management Company: BANDAI NAMCO Arts Inc.)
Planning, production, and delivery of visual and musical content; artist discovery and development training; live entertainment
- Creation Business (Business Management Company: Sunrise Inc.)
Planning and production of animation works, management and operation of copyrights, production of music for animated works, and management and operation of music and master recordings.
- Amusement Business (Business Management Company: Bandai Namco Amusement Inc.)
Planning, development, production, and sale of amusement machines; planning and operation of amusement facilities

In the United Kingdom, four companies (Bandai Namco Entertainment UK Ltd., BANDAI UK LTD., NAMCO UK LTD., Bandai Namco Amusement Europe Ltd.) have operational bases and engage in operations for the Digital Business, Toys and Hobby Business, and Amusement Business of the business units mentioned above, with one regional headquarters (Bandai Namco Holdings UK Ltd.) serving as the regional management company (as of March 31, 2022).

The number of consolidated employees of the Group, comprising the Company and 83 consolidated

subsidiaries (including five consolidated subsidiaries based in the United Kingdom), is 9,886 (as of March 31, 2022). Further, in FY2021, the Group recorded consolidated net sales of ¥889.3 billion, and the five consolidated subsidiaries based in the United Kingdom recorded total net sales of ¥18.3 billion.

For more information on the group's organizational structure and business operations, please visit one of our websites below.

<https://www.bandainamco.co.jp/group/index.html> (Japanese)

<https://www.bandainamco.co.jp/en/group/index.html> (English)

*As of April 2022, the Company reorganized its business segments into the "Digital Business," "Toys and Hobby Business," "IP Production Business," and "Amusement Business."

The majority of the Group's manufacturing suppliers are for the Toys and Hobby Business and Amusement Business. The majority of suppliers for the Toys and Hobby Business in the UK consist of 20 companies based in China, Vietnam, France, the Philippines, and Thailand. The majority of suppliers for the Amusement Business's UK operations consist of 20 companies based in the United States, Canada, and China.

2. Group Policy on Slavery and Human Trafficking

Policies Related to Working Conditions and Supply Chain Management

Bandai Namco Group is committed to the long-term development of society and the Company by fostering a work environment in which employees and all persons associated with Bandai Namco Group have mutual respect and can work with joy and passion.

Based on respecting the fundamental human rights of all people, in accordance with Bandai Namco's Purpose to provide "Fun for All into the Future," and with the goal of continuing to create a future that delivers "Dreams, Fun, and Inspiration" to people around the world, the Group has established the Bandai Namco Compliance Charter as a fundamental principle of conduct to be observed by all officers and employees in performing any work-related activities. This charter reflects the belief that, regardless of country or region, a company must fulfill an important universal duty to (1) uphold its social responsibility by complying with the letter and spirit of all laws, (2) pursue profit through fair and free competition, and (3) benefit society at large through its corporate activities in order to build a trusting relationship with society.

The charter also states the company's commitment to putting employee health and safety first, as well as providing a safe, employee-friendly working environment.

Moreover, the Group has identified supply chain management as one of the components of "Establishment of work environments that facilitate mutual respect," one of the Bandai Namco Group Material Issues designated as a theme to be addressed on a priority basis. Accordingly, the group is working to improve supply chain management across all of its businesses.

For more information on the "Bandai Namco Group Compliance Charter," please visit one of our websites below.

<https://www.bandainamco.co.jp/sustainability/compliance/index.html> (Japanese)

<https://www.bandainamco.co.jp/en/sustainability/compliance/index.html> (English)

For more information on the "Bandai Namco Group Material Issues," please visit one of our websites below.

<https://www.bandainamco.co.jp/sustainability/materiality/index.html> (Japanese)

<https://www.bandainamco.co.jp/en/sustainability/materiality/index.html> (English)

3. Due Diligence Procedures for Businesses and Supply Chains

Systems Established

To ensure that the above policies are firmly instilled, the Group has appointed a director in charge of compliance within the Company to manage overall compliance. Further, in the event of a compliance violation or the potential for a violation within the Group, the Group Risk Compliance Committee, chaired by the President and Representative Director and comprises full-time directors (including Audit & Supervisory Committee members) and others appointed by the chairperson, immediately discusses and determines the most appropriate response to the situation. Four overseas regional headquarters also provide compliance support overseas.

In addition, as countermeasures for compliance violations, each Group company has established internal regulations, and each Group company has established and operates a whistle-blowing system. These efforts are based on the "Bandai Namco Group Policies," which span the Group laterally. If any type of compliance violation, including such violations of human rights as forced labour or child labour, comes to light through its whistle-blowing system, each company responds in a manner appropriate to the matter based on each group company's compliance regulations.

To formulate and promote sustainability policies and strategic goals for the Company and Group, we have established a Group Sustainability Committee, chaired by the President and Representative Director and composed of full-time directors and the presidents of our business management companies. We have also appointed a director in charge of sustainability at our company and established a Sustainability Management Department to oversee overall group sustainability activities in order to promote sustainable activities. In addition, implemented activities and future policies are reported to the Board of Directors on a regular basis, based upon which the Board of Directors discusses, evaluates, and takes action to improve these activities.

Measures to Maintain and Enhance Supply Chain Management

The Group applies measures in each business segment to maintain and improve supply chain management, as evidenced by the following examples of measures in FY2021.

BANDAI CO., LTD. (a wholly owned subsidiary of the Company), the business management company in charge of the Toys and Hobby Business, has conducted a BANDAI Factory Audit (BFA), which combines a "Quality Audit" and "Code of Conduct (COC) Audit," at all overseas final packaging plants (180 plants in FY2021) that manufacture products for the Japanese market. BANDAI Factory Audits were conducted using the BANDAI COC as a basic policy, which declares compliance with eight standards, including a standard prohibiting forced labour and other violations of human rights. BANDAI conducted audits* based on the original BANDAI Factory Audits Manual. Furthermore, BANDAI (SHENZHEN) CO., LTD., which manages the production of major products for Europe and the United States, conducts its business with factories certified under the ICTI Ethical Toy Program, a unified standard set by the International Council of Toy Industries (ICTI) for toy manufacturers and includes the prohibition of forced labour as an audit item (all primary factories for products sold in Europe and the United States have obtained certification in FY2021). Supplier conferences are also held to share information with suppliers, etc., and efforts are made to ensure that suppliers comply with laws and regulations and take measures to improve working conditions, including the prevention of forced labour and modern slavery (in FY2021, conferences were held online to prevent the spread of COVID-19).

Bandai Namco Amusement Inc. (a wholly owned subsidiary of the Company), the business management company in charge of the Amusement Business, only does business with suppliers that have been confirmed to be free of illegal activities with respect to seven major items, including the prohibition of human rights violations such as forced labour, which are evaluated before doing business with any supplier. At amusement machine product assembly plants with which the company is starting a new transactional relationship, the plants are interviewed on aspects requiring verification, including the working environment, and audits* are conducted as necessary. (There were no new partner factories in FY2021).

(*On-site confirmation and employee interviews are required items for BFAs and Bandai Namco Amusement's audits).

For more information on FY2021 measures in each business segment, please visit one of our websites below.

<https://www.bandainamco.co.jp/sustainability/materiality/product.html> (Japanese)

<https://www.bandainamco.co.jp/en/sustainability/materiality/product.html> (English)

4. Aspects of Business and Supply Chain Vulnerable to Slavery and Human Trafficking, and Procedures in Place to Assess and Control Such Risks

BANDAI CO., LTD., the business management company in charge of the Toys and Hobby Business, conducts the aforementioned BFAs at its overseas final packaging plants once a year. As a result of the audits, there have been no reports of problems related to modern slavery or human trafficking.

Bandai Namco Amusement Inc., the business management company in charge of the Amusement Business, makes site visits on a regular basis to conduct interviews and on-site inspections. In addition, the Company selects key suppliers of major components and high-volume items, and performs supplier audits as needed. As a result of the audits, there have been no reports of problems related to modern slavery or human trafficking.

5. Effectiveness of Methods Established to Prevent Slavery and Human Trafficking in Operations or Supply Chains

BANDAI CO., LTD., the business management company in charge of the Toys and Hobby Business, conducts the aforementioned BFAs once a year to ensure that human rights violations do not occur and that measures remain effective. If any issues are discovered during an audit, a corrective action form is issued, which must be completed and corrective action taken within one month.

Bandai Namco Amusement Inc., the business management company in charge of the Amusement Business, conducts regular supplier audits to ensure that human rights violations do not occur and that measures remain effective. (Audits were suspended in FY2020 and FY2021 due to the spread of COVID-19)

6. Internal Training

To ensure that employees are fully familiarized with the Bandai Namco Group Compliance Charter, internal awareness posters that display Charter content are distributed to all Group companies, including overseas bases, to ensure that it is well instilled among employees. In addition, a "Bandai Namco Group Compliance Handbook" has also been prepared and is distributed to Group directors, Audit & Supervisory Board members, and other employees. Furthermore, in FY2021, the Group conducted a compliance awareness survey of Group directors, Audit & Supervisory Board members, and other employees, as well as five e-training sessions on individual cases attended by approximately 50,000 people. Through various types of training, including for new employees, the Group also took measures to ensure that all employees are fully familiarized with the principles of the Charter. In addition, the presidents of all business companies have submitted written oaths pledging strict compliance with the Group Compliance Charter to the President and Representative Director of the Company.

7. Going Forward

Based on Bandai Namco's Purpose to provide "Fun for All into the Future," the Group believes that respecting all people's fundamental human rights is essential in creating a future that delivers "Dreams, Fun and Inspiration" to people around the world. Based on this conviction, we are committed to preventing slavery and human trafficking by ensuring that the policies outlined above are firmly instilled in all employees, and by continuing as

well as improving our efforts.

8. Approval by the Board of Directors

I, Masaru Kawaguchi, hereby certify that the information contained in the above "Modern Slavery Act Transparency Statement for FY2021" is factual and has been approved by the Company's Board of Directors.

September 16, 2022



Masaru Kawaguchi
President and Representative Director
Bandai Namco Holdings Inc.