



June 18, 2018

Name of listed company:
BANDAI NAMCO Holdings Inc.
Name of representative:
Mitsuaki Taguchi,
President and Representative Director
(Code Number: 7832 TSE 1st section)
Contact: Yuji Asako,
Director, Division General Manager
of the Corporate Planning Division

Notice Regarding Disposal of Treasury Stock as Stock Compensation

BANDAI NAMCO Holdings Inc. (“the Company”) hereby announces that the Board of Directors meeting has passed the resolution today to implement a disposal of treasury stock as stock compensation (“the Disposal of Treasury Stock”). The details are as follows.

1. Overview of disposal

(1) Date of disposal	July 6, 2018
(2) Class and number of shares to be disposed of	31,500 shares of the Company’s common stock
(3) Disposal value	¥4,620 per share
(4) Total disposal value	¥145,530,000
(5) Allottees	Directors, etc. of the Company (excluding Outside Directors): 4 people, 9,000 shares Directors of subsidiaries of the Company: 17 people, 22,500 shares
(6) Other	The taking effect of the securities registration statement filed in accordance with the Financial Instruments and Exchange Act is a condition for the Disposal of Treasury Stock.

2. Objective of and reason for the disposal

At its Board of Directors meeting held on May 10, 2017, the Company resolved to revise the remuneration system for Directors, and to accordingly introduce a plan for providing monetary compensation claims for granting common stock of the Company and cash as performance-based remuneration for the fiscal year ended March 31, 2018 (the performance-based stock compensation plan). Meanwhile, at the Twelfth Ordinary General Meeting of Shareholders held on June 19, 2017, approval was received for introduction of the performance-based stock compensation plan and the provision of monetary compensation claims (to be used as property contributed in kind in payment for common stock of the Company) and cash as performance-based remuneration for the fiscal year ended March 31, 2018.

Moreover, the Company's wholly owned subsidiaries BANDAI CO., LTD., BANDAI NAMCO Entertainment Inc. and BANDAI NAMCO Arts Inc. ("Subsidiaries of the Company") also introduced performance-based stock compensation plans that are similar to that of the Company. Details regarding the performance-based stock compensation plans of the Company and Subsidiaries of the Company ("the Plan") are as described under "<Content of the Plan>" toward the end of "2. Objective of and reason for the disposal."

The Disposal of Treasury Stock will be implemented based on resolution of the Company's Board of Directors meeting held today, in accordance with the aforementioned approval granted at the Twelfth Ordinary General Meeting of Shareholders held on June 19, 2017 with respect to the performance-based remuneration for the fiscal year ended March 31, 2018.

The Company's common stock subject to the Disposal of Treasury Stock will be delivered through disposal of treasury stock by allowing the allottees of the disposal to make contribution in kind, using the monetary compensation claims that have been granted to them as performance-based remuneration for the fiscal year ended March 31, 2018. Allottees of the disposal include Directors of the Company (excluding Directors who serve concurrently as president and representative director of Subsidiaries of the Company and Outside Directors; hereinafter referred to collectively as "Directors of the Company"), an Adviser of the Company who had been a Director of the Company up until the close of the Thirteenth Ordinary General Meeting of Shareholders held on June 18, 2018 (hereinafter referred to in conjunction with Directors of the Company as "Company Directors, Etc."), and directors of Subsidiaries of the Company ("Company Subsidiary Directors"). The Company Directors, Etc. and Company Subsidiary Directors will make an oath vowing not to transfer the Company's stock that has been allotted based on the Disposal of Treasury Stock (this includes establishment of a security interest or disposal otherwise), during the time up until the holder ceases to have any status as Director, Audit & Supervisory Board Member or employee of either the Company or a Subsidiary of the Company.

<Content of the Plan>

(1) Overview of the Plan

Under the Plan, monetary compensation claims (to be used as property contributed in kind in payment for common stock of the Company) and cash (hereinafter referred to collectively as "the Company's Shares, Etc.") shall be delivered or provided to the Directors of the Company and the Company Subsidiary Directors according to the amount of consolidated operating profit of the Company only if consolidated operating profit in the fiscal year ended March 31, 2018 ("the Evaluation Period"), which was the final fiscal year of the Mid-term Plan of the BANDAI NAMCO Group (from April 2015 to March 2018), is ¥50,000 million or greater.

(2) Upper limit on remuneration amount under the Plan

The amount of monetary compensation claims and cash shall be determined according to the amount of consolidated operating profit in the Evaluation Period and with an upper limit of ¥360 million per year^(*) (¥160 million per year as the Company's portion, and ¥200 million per year as the portion of Subsidiaries of the Company).

(*) Monetary compensation claims and cash shall not be provided if consolidated operating profit does not reach ¥50,000 million. If consolidated operating profit is ¥50,000 million or greater, the

amount to be provided shall vary in a range of up to a maximum of ¥360 million, according to the increase in consolidated operating profit.

(3) Upper limit on the total number of shares to be delivered to the Directors of the Company and the Company Subsidiary Directors

The total number of shares to be delivered shall be no greater than 90,000 shares during each fiscal year (40,000 shares as the Company's portion, and 50,000 shares as the portion of Subsidiaries of the Company; 0.04% of the total number of shares issued). The amount to be paid in per share shall be determined by the Board of Directors within a range that would not be considered specially advantageous to Directors of the Company, for example, based on 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 prescribed in (4) below.

(4) Requirements for delivering the Company's Shares, Etc. to the Directors of the Company and the Company Subsidiary Directors

Under the Plan, the Company's Shares, Etc. shall be delivered or provided when the Evaluation Period ends and the Directors of the Company and the Company Subsidiary Directors fulfill the following requirements. The amount of the Company's Shares, Etc. to be delivered or provided to respective Directors of the Company and Company Subsidiary Directors shall be determined at the respective Board of Directors meetings of the Company and the Subsidiaries of the Company held after the expiration of the Evaluation Period.

- (a) The Director of the Company or the Company Subsidiary Director was in office as a Director, etc. during the Evaluation Period
- (b) The Director of the Company or the Company Subsidiary Director did not engage in any specified misconduct
- (c) Other requirements deemed necessary that have been set by the Board of Directors

3. Basis of calculation and specific details for the payment amount

To avoid arbitrary pricing, the closing price of common stock of the Company on June 15, 2018 (the business day immediately preceding the date of the resolution at the Board of Directors meeting) on the First Section of the Tokyo Stock Exchange of ¥4,620 (fractional yen dropped) is used as the disposal value for the Disposal of Treasury Stock. As this is the market price of the shares immediately before the date of the resolution at the Board of Directors meeting, it is considered to be rational.

Furthermore, this value has a deviation of 3.59% (rounded off to two decimal places; same in the deviation calculations below) from the simple average closing price of common stock of the Company of ¥4,460 (fractional yen dropped; same in the simple average closing prices below) on the First Section of the Tokyo Stock Exchange for the most recent one-month period (from May 16, 2018 to June 15, 2018), a 17.14% deviation from the simple average closing price of ¥3,944 for the most recent three-month period (from March 16, 2018 to June 15, 2018), and a 22.55% deviation from the simple average closing price of ¥3,770 for the most recent six-month period (from December 18, 2017 to June 15, 2018). Accordingly, this value is not considered to be specially advantageous to the allottees.

End of notice