



Fun for All into the Future

June 20, 2022

Name of listed company:  
Bandai Namco Holdings Inc.  
Name of representative:  
Masaru Kawaguchi,  
President and Representative Director  
(Code Number: 7832 TSE Prime Market)  
Contact: Yuji Asako, Director

### **Notice Regarding Disposal of Treasury Stock as Stock Compensation**

Bandai Namco Holdings Inc. (“the Company”) hereby announces that the Board of Directors, at a meeting held today, has passed a resolution 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 8, 2022
(2) Class and number of shares to be disposed of	40,000 shares of the Company’s common stock
(3) Disposal value	¥9,139 per share
(4) Total disposal value	¥365,560,000
(5) Allottees (Note)	Directors of the Company (excluding Directors who serve concurrently as President and Representative Director of Subsidiaries of the Company and Outside Directors): 4 people, 9,000 shares Directors of Subsidiaries of the Company (excluding Non-Executive Directors): 25 people, 31,000 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.

(Note) As stated in "2. Objective of and reason for the disposal ", the Disposal of Treasury Stock will be implemented in conjunction with the payment of performance-based stock compensation for the fiscal year ending March 31, 2022, so Allottees are described based on their position as of the end of March 2022.

## 2. Objective of and reason for the disposal

At the Thirteenth Ordinary General Meeting of Shareholders of the Company held on June 18, 2018, approval for a performance-based stock compensation plan for Directors excluding Outside Directors of the Company that provides monetary compensation claims for granting common stock of the Company and cash with an upper limit that is the amount obtained by multiplying 45,000 shares by the Delivery Share Price (defined in “Content of the Plan” below; the same applies hereinafter) was received as a means of complying with the “Mid-term Plan of the Bandai Namco Group (From April 2018 to March 2021),” that started in April 2018 (hereinafter “the Previous Mid-term Plan” ; the stock compensation plan is hereinafter referred to “the Previous Plan”). Subsequently, the Previous Mid-term Plan terminated in March 2021, and because the Company decided to allow the substance of the Previous Plan to continue, approval for a performance-based stock compensation plan for Directors excluding Outside Directors of the Company that provides monetary compensation claims for granting common stock of the Company and cash with an upper limit that is the amount obtained by multiplying 45,000 shares by the Delivery Share Price (hereinafter “the Plan”) was received at the Sixteenth Ordinary General Meeting of Shareholders of the Company held on June 21, 2021. Moreover, the Company’s wholly owned subsidiaries Bandai Namco Entertainment Inc., BANDAI CO., LTD., Bandai Namco Music Live Inc. (the former: Bandai Namco Arts Inc.), Bandai Namco Filmworks Inc. (the former: SUNRISE INC.), Bandai Namco Amusement Inc., and BANDAI SPIRITS CO., LTD. (collectively, “Subsidiaries of the Company”) also introduced performance-based stock compensation plans that are similar to that of the Company. Details regarding the Plan of the Company and the Subsidiaries of the Company are as described under “Content of the Plan”.

The Disposal of Treasury Stock will be implemented based on the resolution of the Company’s Board of Directors meeting held on June 20, 2022, in accordance with the aforementioned approval granted at the Sixteenth Ordinary General Meeting of Shareholders held on June 21, 2021 with respect to the Plan. 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, 2022 (“The Evaluation fiscal Year”). 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 as “Directors of the Company”), and directors of Subsidiaries of the Company (excluding Non-Executive Directors; hereinafter referred to as “Directors of Subsidiaries of the Company”; collectively, “Eligible Directors” together with Directors of the Company). The Eligible Directors will make an oath vowing not to transfer the Company’s common stock that has been allotted based on the Disposal of Treasury Stock (this includes establishment of a security interest or any other disposal), 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, common stock of the Company (\*) and cash (hereinafter referred to as “the Company’s Shares, Etc.”) shall be delivered or provided to Eligible Directors according to the degree of attainment of the performance target for consolidated operating profit for the Evaluation fiscal

Year. The Company's Shares, Etc. shall be delivered or provided only when consolidated operating profit is 60,000 million yen or higher, and the payment ratio shall become 100% when consolidated operating profit reaches 75,000 million yen.

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

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

However, for Eligible Directors who are non-residents of Japan, in place of the delivery of the Company's common stock, they shall be provided with cash in the amount obtained by converting all of the number of provided share units determined under (2) at the Delivery Share Price (described below).

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

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

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

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

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

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

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

(Number of payment share units – The number calculated in (a) above)  $\times$  Delivery Share Price (\*3)

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

(\*2) The Company's Shares, Etc. shall not be provided if consolidated operating profit does not reach 60,000 million yen. If consolidated operating profit is 75,000 million yen or greater,

100% of the Company's Shares, Etc. shall be provided. The specific method for determining the payment ratio is as follows.

Consolidated operating profit	Payment ratio
Less than 60,000 million yen	0%
60,000 million yen or more but less than 75,000 million yen	$[50 + \{(Amount\ of\ consolidated\ operating\ profit\ (in\ 100\ million\ yen) - 60,000\ million\ yen) \div 100\ million\ yen\} \div 3]\%$
75,000 million yen or more	100%

(\*3) Delivery Share Price is the closing price of common stock of the Company on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution at the Board of Directors meeting to deliver the Company's common stock related to the Plan held within two months from the date of the Ordinary General Meeting of Shareholders pertaining to the Evaluation Fiscal Year stipulated in (3) below (if the Company's shares were not traded on that day, the closing price on the last day the shares were traded prior to that).

The upper limit of the total amount of monetary compensation claims (to be used as property contributed in kind in payment for common stock of the Company) and cash provided to the Directors of the Company for the Evaluation fiscal Year shall be the amount obtained by multiplying 45,000 shares by the Delivery Share Price and the upper limit of the total amount of monetary compensation claims (to be used as property contributed in kind in payment for common stock of the Company) and cash provided to the Directors of Subsidiaries of the Company for the Evaluation fiscal Year shall be the amount obtained by multiplying 94,000 shares by the Delivery Share Price. Of this, the upper limit for the total number of shares of common stock of the Company that can actually be delivered to the Directors of the Company shall be 22,500 shares (0.01% of the total number of shares issued) and the upper limit for the total number of shares of common stock of the Company that can actually be delivered to the Directors of Subsidiaries of the Company shall be 47,000 shares (0.02% of the total number of shares issued). However, at the close of the Sixteenth Ordinary General Meeting of Shareholders held on June 21, 2021 or thereafter, if the Company carries out a share split (including allotments of shares without receipt of monetary consideration; the same shall apply hereinafter to share splits mentioned below) or share consolidation of the common stock of the Company, the abovementioned number of shares shall be adjusted in accordance with the following formula, with any fractions less than one share resulting from the adjustment being rounded down.

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

(3) Requirements for delivering or providing the Company's Shares, Etc. to Eligible Directors  
Under the Plan, the Company's Shares, Etc. shall be delivered or provided when the Evaluation Fiscal Year ends and Eligible Directors fulfill the following requirements.

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

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

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 17, 2022 (the business day immediately preceding the date of the resolution at the Board of Directors meeting) on the Prime Market of the Tokyo Stock Exchange of ¥9,139 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 reasonable.

Furthermore, this value has a deviation of -3.40% (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 ¥9,461 (fractional yen rounded down; same in the simple average closing prices below) on the Prime Market of the Tokyo Stock Exchange for the most recent one-month period (from May 18, 2022 to June 17, 2022), a -0.40% deviation from the simple average closing price of ¥9,176 for the most recent three-month period (from March 18, 2022 to June 17, 2022, and a 3.44% deviation from the simple average closing price of ¥8,835 for the most recent six-month period (from December 18, 2021 to June 17, 2022). Accordingly, this value is not considered to be particularly advantageous to the allottees.

End of notice