



Fun for All into the Future

June 19, 2023

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

(a) Date of disposal	July 7, 2023
(b) Class and number of shares to be disposed of	135,700 shares of the Company’s common stock
(c) Disposal value	¥3,479 per share
(d) Total disposal value	¥472,100,300
(e) Allottees (Note)	Directors of the Company (excluding Directors who serve concurrently as President and Representative Director of Subsidiaries of the Company, Audit & Supervisory Committee members, and Outside Directors): 3 people, 26,200 shares Directors of Subsidiaries of the Company (excluding Non-Executive Directors): 30 people, 109,500 shares
(f) 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) “Subsidiaries of the Company” stated in the table above is defined in “2. Objective of and reason for the disposal.”

2. Objective of and reason for the disposal

At the Seventeenth Ordinary General Meeting of Shareholders of the Company held on June 20, 2022, the Company received approval for a performance-based stock compensation plan for Directors of the Company (excluding Audit & Supervisory Committee members and Outside Directors; hereinafter, “Directors of the Company”; that compensation plan is hereinafter referred to as “the Plan”) 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, for each fiscal year, 135,000 shares (*) by the Delivery Share Price (defined in(*)3) for (2) of “Content of the Plan” below; the same applies hereinafter) as a means of complying with the “Mid-term Plan of the Bandai Namco Group (From April 2022 to March 2025)” that started in April 2022 (hereinafter “the Mid-term Plan”). Moreover, the Company’s wholly owned subsidiaries Bandai Namco Entertainment Inc., BANDAI CO., LTD., Bandai Namco Filmworks Inc., Bandai Namco Amusement Inc., BANDAI SPIRITS CO., LTD., Bandai Namco Music Live Inc., and Bandai Namco Business Arc Inc. (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 19, 2023, in accordance with the aforementioned approval granted at the Seventeenth Ordinary General Meeting of Shareholders held on June 20, 2022 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, 2023. Allottees of the disposal include 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.

(*) The Company conducted a share split with a ratio of three shares for every one share of common stock on April 1, 2023, so statements in this notice regarding numbers of shares have been adjusted in light of that share split; the same applies hereinafter.

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 each fiscal year of the Mid-term Plan (each of those years, an “Evaluation Fiscal Year”). The Company’s Shares, Etc. shall be delivered or provided only when consolidated operating profit is 75,000 million yen or higher, and the payment ratio will gradually increase in accordance with performance based on consolidated operating profit, but the payment ratio shall become the payment upper limit of

100% when the Mid-term Plan's final fiscal year target figure of 125,000 million yen is reached (the payment ratio will be rounded up to the first decimal place).

(*) 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 the determined share units at the Delivery Share Price.

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

Taking the predetermined reference number of share units for Eligible Directors as the basis for calculation, the number of shares of common stock of the Company and amount of cash to be delivered or provided are calculated according to the amount of consolidated operating profit of the Company for each 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 (*1) \times Ratio according to the consolidated operating profit of the Company for the Evaluation Fiscal Year in question (payment ratio) (*2) (with any resulting odd-lots of less than 100 shares rounded down)

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

- (b) The amount of cash to be provided to each Eligible Director
(Number of payment share units – The number calculated in (a) above) \times Delivery Share Price

- (*1) 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 75,000 million yen. If consolidated operating profit is 125,000 million yen or greater, 100% of the Company's Shares, Etc. shall be provided. The specific method for determining the payment ratio is set out below.

Consolidated operating profit	Payment ratio
Less than 75,000 million yen	0%
75,000 million yen or more but less than 125,000 million yen	$[100 \times 1/3 + \{(Amount\ of\ consolidated\ operating\ profit\ (in\ hundreds\ of\ millions\ of\ yen) - 75,000\ million\ yen) \div 100\ million\ yen \div 5\} \times 2/3]\%$ (Rounded up to the first decimal place)
125,000 million yen or more	100%

However, directors of Subsidiaries of the Company excluding Bandai Namco Business Arc Inc. (including any Directors of the Company who serve concurrently as Director of any of those Subsidiaries of the Company) will not be paid performance-based stock compensation if in the Evaluation Fiscal Year in question the operating profit for any of the following businesses in his or her respective charge at the Subsidiary of the Company in question is in the red.

Company name	Bandai Namco Entertainment Inc.	BANDAI CO., LTD.	Bandai Namco Filmworks Inc.	Bandai Namco Amusement Inc.	BANDAI SPIRITS CO., LTD.	Bandai Namco Music Live Inc.
Handled business	Digital Business	Toys and Hobby Business	IP Production Business	Amusement Business	Toys and Hobby Business	IP Production Business

- (*3) Delivery Share Price is the closing price of common stock of the Company on the Tokyo Stock Exchange as of the business day immediately preceding the date of the resolution at the Board of Directors meeting to deliver the Company's common stock related to the Plan held within two months from the date of the Ordinary General Meeting of Shareholders pertaining to each 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 each Evaluation Fiscal Year shall be the amount obtained by multiplying 135,000 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 each Evaluation Fiscal Year shall be the amount obtained by multiplying 372,000 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 67,500 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 186,000 shares (0.03% of the total number of shares issued). However, at the

close of the Seventeenth Ordinary General Meeting of Shareholders held on June 20, 2022 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. (*4)

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

(*4) As stated above, statements in this notice regarding numbers of shares have been adjusted in light of the share split conducted on April 1, 2023.

- (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 in question 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 in question.

- (a) The Eligible Director remained in office as a Director or the like until the end of the Evaluation Fiscal Year in question
- (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 16, 2023 (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 ¥3,479 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 3.08% (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 ¥3,375 (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 17, 2023 to June 16, 2023), a 11.61% deviation from the simple average closing price of ¥3,117 for the most recent three-month period (from March 17, 2023 to June 16, 2023, and a 17.22% deviation from the simple average closing price of ¥2,968 for the most recent six-month period (from December 17, 2022 to June 16, 2023). Accordingly, this value is not considered to be particularly advantageous to the allottees.

(Note) Because the Company conducted a share split with a ratio of three shares for every one share of common stock on April 1, 2023, the simple average closing prices for the three-month period and six-month period stated above have each been calculated on the assumption that the aforementioned share split was conducted on the day immediately preceding each respective period.