

May 8, 2025

Name of listed company:
Bandai Namco Holdings Inc.
Name of representative:
Yuji Asako,
President and Representative Director
(Code Number: 7832 TSE Prime Market)
Contact: Takashi Tsuji, Executive Officer, CFO

Notice Regarding Review of Officer Compensation Plan

Bandai Namco Holdings Inc. (the “Company”) approved a resolution to review the existing officer compensation plan and implement a new officer compensation plan (the “Plan”) in order to achieve sustainable growth and increase corporate value of the Group over the medium to long term, and generate long-term profits.

Accordingly, the Company hereby announces that it will propose these matters on the agenda “Revision of Remuneration Limit of Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” and agenda “Determination of Performance-based Share Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)” both regarding the Plan at the Twentieth Ordinary General Meeting of Shareholders of the Company (the “Ordinary General Meeting of Shareholders”) to be held on June 23, 2025. The details are as follows.

1. Reason for Review of Officer Compensation Plan

Based on the Group’s Purpose “Fun for All into the Future,” as its ultimate definition, and the Mid- to Long-term Vision “Connect with Fans” that is incorporated in the “Mid-term Plan of the Bandai Namco Group (From April 2025 to March 2028)” that started in April 2025 (the “Mid-term Plan”), the Group will be continuing to strengthen the IP axis strategy in order to connect with IP fans, a wide range of business partners, shareholders, Group employees, and society around the world. Accordingly, by working to build a stronger management foundation for growth for the objective of further driving the desire of our Directors in order to realize a system that aims to increase the mid- to long-term corporate value and generate long-term profits, the Group will review its remuneration criteria, further strengthen connections between remuneration and performance, adopt an evaluation based on basic earnings per share (EPS), and increase the ratio of share compensation, in addition to conducting a review related to raising the performance targets of the performance-based share compensation.

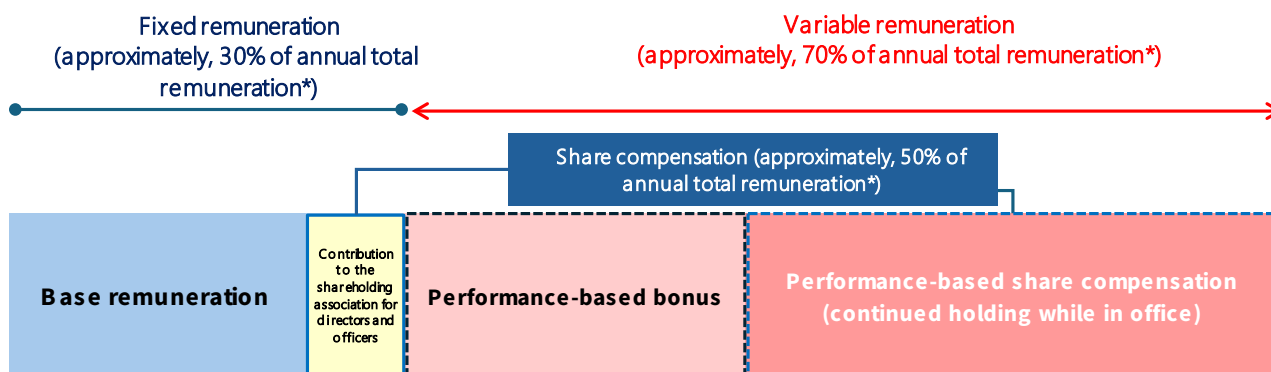
2. Outline of Review of Officer Compensation Plan

(1) Remuneration structure

Remuneration criteria is reviewed in consideration of the status of the Company’s business performance in recent years and ensuring a level that will enable the Company to secure and retain

top grade personnel, and the remuneration structure will be designed so that if the targets for the last fiscal year in the Mid-term Plan are achieved, the ratio of fixed remuneration to variable remuneration in annual total remuneration will be about 30:70, and the proportion of share-based compensation, that is, the sum of the contribution of a fixed proportion of the base remuneration to the shareholding association for directors and officers and performance-based share compensation, shall be approximately 50%.

Remuneration for Directors, Audit & Supervisory Committee Members and Outside Directors of the Company will comprise base remuneration only, considering their duties.



* Calculated based on the payment amount when the targets for the final fiscal year of the Mid-term Plan are achieved.

(2) Base remuneration

The base remuneration for Directors of the Company will be monthly fixed remuneration paid in cash and will be paid within a specific time period every month with a limit of 600 million yen (including 100 million yen per year for Outside Directors) per year. In addition, eligible Directors will contribute a fixed proportion of the base remuneration to the shareholding association for directors and officers to purchase the Company's shares.

(3) Variable remuneration (performance-based bonuses and performance-based share compensation)

The variable remuneration of the Company, both performance-based bonuses and performance-based share compensation, uses the consolidated operating profit of the Group as the evaluation indicator with the aim of directly reflecting the evaluation of the management efforts of the management team of the Group in the amount of remuneration to be paid. In addition, the performance-based bonuses use the EPS evaluation and the sustainability evaluation as the evaluation indicators with the aim of promoting further sharing of value with shareholders.

Performance-based bonuses

The performance-based bonuses will be calculated within a range of 0% to 200% of the predetermined base amount based on the rates of achievement for the Mid-term Plan targets, fiscal year targets, and year-on-year targets regarding the actual consolidated operating profit of the Group for each fiscal year and on the rate of achievement for the year-on-year target for EPS. Furthermore, the payment ratio will be increased or decreased based on the results of the sustainability evaluation. If any of the rates of achievement is 50% or lower, performance-based bonuses will not be paid.

Sustainability evaluations are conducted for the objective of strengthening the motivation of the eligible Directors to address sustainability, and the evaluations are determined by the Board of Directors by examining the status of the indicators and targets for the Group's material issues (greenhouse gas emissions, employee engagement, etc.) after deliberation by the Personnel Committee, which is a voluntary committee chaired by an independent Outside Director and of which a majority of the members are independent Outside Directors.

Performance-based bonuses will be determined within a limit of the smaller of (i) 600 million yen per year or (ii) 1.5% of the "profit attributable to owners of parent."

Performance-based share compensation

The Company has implemented a performance-based share compensation plan from the fiscal year ended March 2018 for the Directors other than the Outside Directors for the objective of sharing value with shareholders and continuously promoting improvement in corporate value.

The Company will implement a new performance-based share compensation plan to eligible Directors by means of responding to the Mid-term Plan. Under that performance-based share compensation plan, shares, etc. of the Company will be delivered or provided only when consolidated operating profit of the Group is 100,000 million yen or higher. Also, that plan will be amended so that the payment ratio will reach the upper level when consolidated operating profit reaches 200,000 million yen (which is the final fiscal year target for the Mid-term Plan), and the payment level upon the achievement of the performance target will be reviewed.

(Note) Please refer to the press release dated today titled "Notice Regarding Decision on Performance-based Share Compensation Plan" for the details of the performance-based share compensation plan.

(Reference) Expansion of the eligibility for the share compensation plan for Directors of Group companies in Japan

Based on the Group's Purpose "Fun for All into the Future," as its ultimate definition, and the Mid- to Long-term Vision "Connect with Fans," the Group has newly expanded the eligibility for the share compensation plan so that officers and employees of the Group will become even more united in working to achieve sustainable growth of the Group over the medium to long term.

The Group has traditionally paid share compensation that reflected the actual consolidated operating profit of the Group to Executive Directors of the Company and business management companies, etc. through the above performance-based share compensation plan.

In April 2025, the Group introduced the "Group performance-based share compensation plan" that delivers the Company's shares based on a predetermined number of share units or provides cash, if the consolidated operating profit of the Group in each fiscal year reaches a base value, to Executive Directors of Group companies in Japan who were not eligible for the performance-based share compensation plan.

As a result of introducing the Group performance-based share compensation plan, a share compensation plan that reflects the actual consolidated operating profit of the Group will be established for the Executive Directors of each Group company in Japan.

In addition, the Group has introduced the "special incentive cash granting plan"* for persons who have participated in the shareholding association for employees of Group companies since April 2021. Through the

Group performance-based share compensation plan and the special incentive cash granting plan, we aim to cultivate a sense of unity within the Group and further increase awareness of the need to participation in management with the Group working together to achieve sustainable growth and increase corporate value over the medium to long term.

- * Special incentive cash granting plan: Under this plan, employees of Group companies in Japan who make a contribution of a fixed amount or more every month in the shareholding association for employees of Group companies will be granted special incentive cash to acquire a fixed number of the Company's shares if the consolidated operating profit of the Group in each fiscal year reaches a base value.

Status of share compensation, etc. for Directors and employees of Group companies in Japan

Eligible persons		Shareholding association	Share compensation and share granting plans
Executive Directors	Bandai Namco Holdings Business management company, etc.	[Shareholding association for directors and officers] Participation by all persons Note: Contribution of a fixed proportion of base remuneration	Performance-based share compensation plan
	Group companies in Japan (excluding above companies)		< Newly established > Group performance-based share
Employees	Group companies in Japan	[Shareholding association for employees] (Voluntary participation) Note: Contribution by additional payment of incentive cash	Special incentive cash granting plan

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