



May 11, 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 Review of Officer Compensation Plan

Bandai Namco Holdings Inc. (“the Company”) has passed a resolution at the Board of Directors meeting held today to review the previous officer compensation plan and implement a new officer compensation plan (the “Plan”) for Directors (excluding Directors who are Audit & Supervisory Committee Members after transitioning to a company with an Audit & Supervisory Committee and Outside Directors) (the “Eligible Directors”) for the purpose of promoting sustainable growth, and improves in mid- to long-term corporate value, of the Company, and further sharing of value with shareholders.

Accordingly, the Company hereby announces that it will submit Agenda Item “Determination of Remuneration Limit of Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” and Agenda Item “Determination of Performance-based Stock Compensation Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)” both regarding the Plan at the Seventeenth Ordinary General Meeting of Shareholders of the Company (the “Ordinary General Meeting of Shareholders”) to be held in June 2022. The details are as follows.

As separately announced in the press release dated February 8, 2022 titled “Notice Regarding Transition to a Company with Audit & Supervisory Committee and Changes in Officers,” the Company decided to transition from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee subject to the adoption of a resolution for approval at the Ordinary General Meeting of Shareholders.

1. Purpose of Review of Officer Compensation Plan

The Company will conduct a review of its remuneration criteria, strengthen connections between remuneration and performance, adopt sustainability evaluation, and increase the ratio of stock-based remuneration, in addition to conducting a review related to raising the business performance targets for the performance-based stock compensation plan, for the purpose of (a) achieving the Company Group’s main goals by striving to meet the needs of, and foster connections with, a wide range of stakeholders and society in general based on the Company Group’s “Purpose,” which constitutes its ultimate definition, and the Mid-term Vision “Connect with Fans” that is incorporated in the “Mid-term Plan of the Bandai

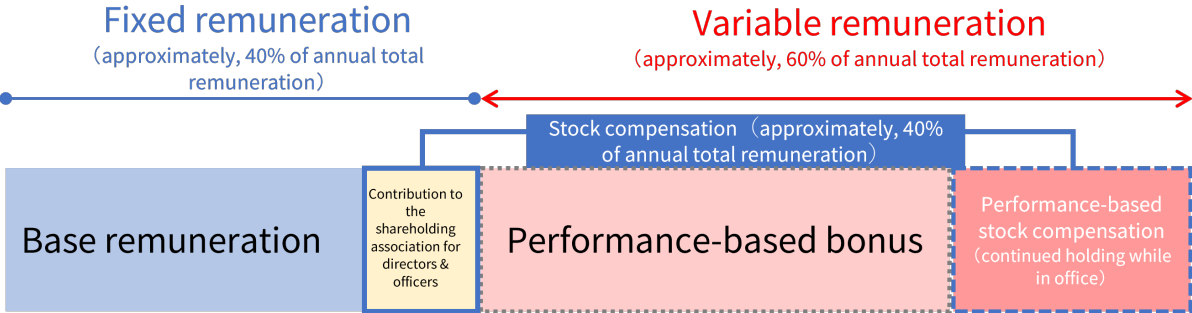
Namco Group (From April 2022 to March 2025),” which started in April 2022 (the “Mid-term Plan”) and (b) further driving the desire of our directors to contribute to improvements in the Company Group’s business performance and mid- to long-term corporate value.

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 goal for the last fiscal year in the Mid-term Plan is achieved, the ratio of fixed remuneration to variable remuneration in annual total remuneration will be about 40:60, and the proportion of stock-based remuneration, 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 stock compensation, shall be approximately 40%.

In view of director’s responsibilities, remuneration for Directors who are Audit & Supervisory Committee Members and Outside Directors will be base remuneration only.



(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 450 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) Performance-based remuneration

The variable remuneration of the Company, both performance-based bonuses and performance-based stock compensation, are indexed to the consolidated operating profit of the Group, for the purpose of directly reflecting the evaluation of the management efforts of the Group's management in the amount of remuneration.

Performance-based bonus will be calculated within a range of 0% to 200% of the predetermined base amount based on rates of achievement for mid-term targets, annual targets, and targets relative to the previous fiscal year regarding consolidated operating profit of the Group. Furthermore, Performance-based bonus will be increased or decreased the rate of payment based on the results of newly adopted sustainability evaluation. If the rates of achievement is below 50%, performance-based bonus will be unpaid.

Sustainability evaluation is decided by the Board of Directors upon referral to the Personnel Committee, which is an voluntary committee chaired by an Independent Outside Director and of which a majority of the members are Independent Outside Directors, based on results of activities in line with the Group's "Material Issues" (e.g., initiatives for decarbonization) and the index and other matters related to employee engagement, for the purpose of strengthening motivation among the Eligible Directors towards achieving sustainability.

Performance-based bonuses will be determined within a limit of the smaller of (i) 550 million per year or (ii) 1.5% of the "profit attributable to owners of parent for the period."

(4) Performance-based stock compensation

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

The Company will implement a new performance-based stock compensation plan to Eligible Directors by means of responding to the Mid-term Plan. Under that performance-based stock compensation plan, shares, etc. of the Company will be delivered or provided only when consolidated operating profit of the Company Group is 75,000 million yen or higher. Also, that plan will be amended so that the payment ratio will reach at the upper level when consolidated operating profit reaches 125,000 million yen (which is the final fiscal year target for the Mid-term Plan), as well as the payment level upon the achievement of the performance target is reviewed.

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

End of notice