

May 14, 2023

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

(Developments in Case Announced on January 18, 2023)  
Arrest of Former Employee of Company Subsidiary

Bandai Namco Holdings Inc. hereby announces that a former employee (the “Former Employee”) of our subsidiary Bandai Namco Entertainment Inc. (Headquarters: Minato-ku, Tokyo; President & CEO: Nao Udagawa) (the “Relevant Company”) was arrested by the Tokyo Metropolitan Police Department on suspicion of corporate embezzlement on May 14, 2024.

This arrest is related to the “Notice Regarding Lawsuit Filed Against a Former Employee of a Subsidiary for Fraudulent Acts” disclosed on January 18, 2023. This case is due to the fact that it was discovered that, from around April 2015 to around April 2022, the Former Employee had sold more than 4,400 mobile devices owned by the Relevant Company and managed by the Former Employee to outside companies without the Relevant Company’s permission, and embezzled approximately 600 million yen from the sale of these devices (the “Fraudulent Acts”). In response to the Fraudulent Acts, the Relevant Company dismissed the Former Employee as of December 20, 2022. The Relevant Company also filed civil proceedings in the Tokyo District Court on January 18, 2023, seeking approximately 600 million yen in damages, as well as making other claims, and a judgment was finalized in favor of the Relevant Company on November 17, 2023. Further, the Relevant Company filed a letter of complaint against the Former Employee with the Tokyo Metropolitan Police Department in connection with the Fraudulent Acts.

Our group takes the occurrence of this kind of incident seriously, and sincerely apologizes for the great inconvenience and concerns it has caused to our customers, shareholders, and all other affected parties.

Our group reduced the remuneration of full-time directors of the company and the Relevant Company and former directors of the Relevant Company (13 people in total) for three months and took strict disciplinary action against former direct supervisors (11 people in total) in accordance with internal regulations, in order to clarify the managerial and supervisory responsibilities in connection with the Fraudulent Acts.

In addition, we will implement measures (review and improve our business processes, strengthen our internal control systems, etc.) in cooperation with outside experts to prevent recurrence of such an incident, and work together as a group to prevent recurrence. We will continue to fully cooperate with the investigating authorities and work to prevent recurrence throughout the group by further ensuring compliance and strengthening our internal control systems.

The impact of this matter on consolidated financial results for the fiscal year ending March 2025 will be immaterial.

\*Please refer to the “Notice Regarding Lawsuit Filed Against a Former Employee of a Subsidiary for Fraudulent Acts” at <[https://www.bandainamco.co.jp/files/E\\_Press20Release20230118.pdf](https://www.bandainamco.co.jp/files/E_Press20Release20230118.pdf)>.

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