



November 24, 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 Wrongful Acts Committed by a Former Leased Employee of a Subsidiary and Submission of a Damages Report

Bandai Namco Holdings Inc. (the “Company”) hereby announces the revelation of wrongful acts (the “Wrongful Acts”) committed by a former leased employee (the “Former Leased Employee”) of the Company’s subsidiary Bandai Namco Business Arc Inc. (Headquarters: Minato-ku, Tokyo; President: Shuji Ohtsu) (the “Relevant Company”). Our group has consulted with, and cooperated in the investigation by the police, and the Company’s subsidiary BANDAI CO., LTD. (Headquarters: Taito-ku, Tokyo; President: Kazuhiro Takenaka) (“Bandai”) has submitted a damages report to the police. Going forward, our group plans to pursue the Former Leased Employee’s liability through both civil proceedings and criminal proceedings. The Relevant Company terminated the Former Leased Employee’s leased-employment contract on August 20, 2023.

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 stakeholders. Our entire group will devote all our energies into ensuring there will be no reoccurrence in the future.

1. Overview of the Wrongful Acts

Based on information, etc. from an external party, Bandai commenced an investigation into suspected unauthorized outflow of products in June 2023. It was revealed that a person was wrongfully entering a warehouse dedicated for the storage of products scheduled for disposal (“Write-off Products”) and other items (the “Liquidation Warehouse”) of Bandai and bringing out Write-off Products. Upon learning of this, our group took swift action in consulting with the police, and immediately launched an internal investigation committee headed by an external attorney and diligently conducted an investigation. As a result, it was revealed that the Former Leased Employee had wrongfully profited to the sum of approximately 87 million yen through acts including bringing out Write-off Products from the Liquidation Warehouse, etc. and selling Write-off Products to external business operators over the period of about eight years from 2015 to 2023. Our group will cooperate fully with the investigation being conducted by investigating bodies with the intention of pursuing liability not only through civil proceedings but also through criminal proceedings.

2. Disciplinary actions taken against the relevant parties regarding the Wrongful Acts

Upon learning of the Wrongful Acts, the Relevant Company terminated the leased-employment contract with the Former Leased Employee on August 20, 2023 as described above. In addition, to clarify the responsibilities of management and supervision concerning this incident, our group has decided on and is implementing the following disciplinary actions:

- (1) Reduction of remuneration for one director of the Company as a parent company who is in charge of administration
5% reduction of base monthly remuneration for three months from October 2023
- (2) Reduction of remuneration for the representative director and two other directors of the Relevant Company
Representative director: 10% reduction of base monthly remuneration for three months from October 2023
Directors: 5% to 10% reduction of base monthly remuneration for one month from October 2023
- (3) One senior supervisor of the Relevant Company
Strict disciplinary action taken in accordance with company regulations

3. Prevention of recurrence

Up until now, the Company has in place a Declaration of Compliance for our group, and has taken steps to ensure thorough awareness of compliance. Targeting employees, leased employees, etc., the Company has published the Declaration of Compliance, distributed compliance-related brochures, provided in-house education through e-learning, and conducted compliance awareness surveys of employees on an ongoing basis. We take the occurrence of the Wrongful Acts seriously, and we believe it is important to take measures to further ensure thorough awareness of compliance going forward. In addition, we will implement various measures in cooperation with external experts to prevent recurrence. Specifically, we will review our process of disposing of products and strengthen our security system, etc., and work together as a group to prevent a recurrence.

4. Impact on performance

The impact of this matter on consolidated financial results for the fiscal year ending March 2024 will be immaterial. We will promptly disclose any matters that should be disclosed in the future.