



March 1, 2021

Name of listed company:

BANDAI NAMCO Holdings Inc.

Name of representative:

Mitsuaki Taguchi,

President and Representative Director

(Code Number: 7832 TSE 1st section)

Contact: Yuji Asako,

Director, Division General Manager

of the Corporate Planning Division

## **Notice Regarding Withdrawal from Amusement Facilities Business in North America**

BANDAI NAMCO Holdings Inc. (the “Company”) hereby announces that it has determined to transfer its Amusement Facilities Business in North America and withdraw from that business, and that it has concluded an agreement with the business buyers.

### 1. Reason for business withdrawal

The Group’s Real Entertainment Business (operation of amusement facilities, development and sale of arcade games, etc.) has been impacted heavily by the closures of amusement facilities in response to the spread of the novel coronavirus (COVID-19). As the Company expects that this difficult market environment will continue into the future, it is reporting extraordinary losses of approximately 13.0 billion yen as business structural reform costs in the fourth quarter of the fiscal year ending March 31, 2021, and it is taking measures to reduce fixed costs and streamline operations. On the business operations side, the BANDAI NAMCO Group (“Group”) is conducting selection and concentration into business development that utilizes IP along with the resources of each business in the Group, with the aim of rebuilding a strong business foundation under a unified framework for each of the Group’s businesses.

After careful examination of the Amusement Facilities Business in North America, the Company decided to transfer the business and withdraw from the business, as it expects that the difficult business environment would continue into the future and achieving cooperation between each business is difficult at present. The Group will still continue to engage in the business of selling arcade games in North America.

## 2. Overview of consolidated subsidiary conducting business withdrawal

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| (1) Name   | NAMCO USA INC.   |
| (2) Location   | 712 North Central Avenue, Wood Dale, IL 60191 USA                            |
| (3) Representative   | Kiyoshi Saito, President/CEO   |
| (4) Business description                                     | Operation of amusement facilities  |
| (5) Capital  | 2,800 U.S. dollars   |
| (6) Establishment  | July 1990  |
| (7) Shareholder composition                                  | BANDAI NAMCO Holdings USA Inc. (wholly-owned subsidiary of the Company) 100% |
| (8) Recent business results<br>(Forecast for March 31, 2021) | Net sales 781 million yen<br>Operating profit 1,323 million yen              |

## 3. Overview of business transfer and accounting treatment

NAMCO USA INC. will transfer the businesses and related fixed assets of (1) 34 directly owned stores, (2) 1 large directly owned store, and (3) 760 revenue-shared locations to three companies conducting the amusement facilities business. (None of these companies has any capital, personal or transactional relationship with the Company or falls under the definition of a related party.) In relation to the transfer, the Company expects to recognize losses on the transfer of fixed assets in the fourth quarter of the fiscal year ending March 31, 2021. The aforementioned losses and expenses have been included in the 13.0 billion yen recognized as extraordinary losses concerning expenses associated with the business structure reform of the Real Entertainment Business that were mentioned in the consolidated projections for the full fiscal year ending March 31, 2021, announced on February 8.

## 4. Schedule

Date of decision by Board of Directors: February 19, 2021

Conclusion of agreement with business buyers: February 27, 2021 (Japan time)

Transfer of business: March 31, 2021 (Planned)

After the business transfer, NAMCO USA INC. will merge with BANDAI NAMCO Amusement America Inc., which conducts sale of arcade games, during the fiscal year ending March 31, 2022.

End of notice