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November 14, 2022

Company name:	MELCO HOLDINGS INC.
Name of representative: (Securities code: 6676)	Hiroyuki Maki, President and CEO
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Notice Concerning Abolition of Financial Business and Change in Consolidated Subsidiary (Share Transfer)

MELCO HOLDINGS INC. (the “Company”) hereby announces that, at its meeting held on November 14, 2022, the Company’s Board of Directors resolved to abolish the financial business (included in the reportable segment for other businesses) undertaken by MELCO FINANCIAL HOLDINGS INC., the Company’s consolidated subsidiary, and the subsidiaries thereof, and to transfer all shares of Melco Capital Pte. Ltd., the Company’s consolidated subsidiary, to Makis Holding B.V. Following these changes, Melco Capital Pte. Ltd. will be excluded from the Company’s scope of consolidation.

1. Reasons for abolition of business and share transfer

Earnings conditions for the financial business undertaken by MELCO FINANCIAL HOLDINGS INC., the Company’s consolidated subsidiary, and the subsidiaries thereof, have become challenging in recent years, and the significance of the business in the Group has declined. For those reasons, the Company will focus on core businesses and further enhance its corporate value.

2. Overview of subsidiaries to be abolished

The Company plans to dissolve and liquidate MELCO FINANCIAL HOLDINGS INC. and MELCO INVESTMENTS INC. at the end of December 2023. MELCO INVESTMENTS INC. will keep operating a fund under its management responsibly until its redemption in March 2023 and the payment of redemption money to customers scheduled in April 2023.

(1) Name	MELCO FINANCIAL HOLDINGS INC.
(2) Address	1-11-1 Marunouchi, Chiyoda-ku, Tokyo
(3) Title and name of representative	Hiroyuki Maki, President and CEO
(4) Business description	Overall management of financial business within the Group
(5) Share capital	¥200 million
(6) Date of establishment	February 2014
(7) Major shareholders and percentage of shareholding	MELCO HOLDINGS INC. 100%

(1) Name	MELCO INVESTMENTS INC.
(2) Address	1-11-1 Marunouchi, Chiyoda-ku, Tokyo
(3) Title and name of representative	Hikaru Ito, President and CEO
(4) Business description	Investment management and financial instrument intermediary services
(5) Share capital	¥50 million
(6) Date of establishment	March 2014
(7) Major shareholders and percentage of shareholding	MELCO FINANCIAL HOLDINGS INC. 100%

3. Schedule of abolition of business

(1) Date of resolution at the meeting of the Board of Directors	November 14, 2022
(2) Date of abolition of business	End of December 2023 (planned)

4. Overview of subsidiary to be transferred

(1) Name	Melco Capital Pte. Ltd.			
(2) Address	133 Cecil Street, #16-01B Keck Seng Tower, Singapore 069535			
(3) Title and name of representative	Atsushi Motojima, CEO			
(4) Business description	Investment management services			
(5) Share capital	SG\$1 million			
(6) Date of establishment	May 2013			
(7) Major shareholders and percentage of shareholding	MELCO FINANCIAL HOLDINGS INC. 100%			
(8) Relation between the listed company and the said company	Capital relationship	MELCO FINANCIAL HOLDINGS INC., the Company's consolidated subsidiary, owns the said company's shares at the rate of 100%.		
	Personnel relationship	Two employees of the Company have assumed the position of Director at the said company.		
	Business relationship	None		
(9) Financial results and financial position of the said company for the last three years	(Millions of yen)			
Fiscal year	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	First half of fiscal year ending March 31, 2023
Net assets	607	277	248	123
Total assets	835	445	399	279
Net assets per share (yen)	607,803	277,799	248,229	123,426
Net sales	1,563	729	611	(0.47)
Operating profit	620	241	211	(42)
Ordinary profit	622	240	203	(53)
Profit	531	200	171	(54)
Earnings per share (yen)	531,419	200,138	171,846	(54,803)

5. Overview of the company to which shares will be transferred

(1) Name	Makis Holding B.V.	
(2) Address	Saturnusstraat 46, 2132 HB Hoofddorp The Netherlands	
(3) Title and name of representative	Hiroyuki Maki, President	
(4) Business description	Asset management	
(5) Share capital	EUR82,280	
(6) Date of establishment	October 2002	
(7) Net assets	¥21,152 million (March 31, 2022)	
(8) Total assets	¥21,185 million (March 31, 2022)	
(9) Major shareholders and percentage of shareholding	Stichting Administratiekantoor Makis 100%	
(10) Relation between the listed company and the said company	Capital relationship	The said company is the parent company for Makis Co., Ltd., which is the Company's parent company.
	Personnel relationship	The Company's CEO concurrently serves as the president of the said company.
	Business relationship	None
	Correspondence to related party	The said company corresponds to a related party because it is the parent company for the Company's parent company.

6. Number of shares to be transferred, transfer value and the state of owned shares before and after transfer

(1) Number of owned shares before transfer	1,000 shares (Holding ratio of voting rights: 100%)
(2) Number of shares to be transferred	1,000 shares
(3) Total transfer value	¥123 million
(4) Number of owned shares after transfer	0 shares (Holding ratio of voting rights: 0%)

7. Share transfer schedule

(1) Date of resolution at the meeting of the Board of Directors	November 14, 2022
(2) Date of share transfer agreement conclusion	November 14, 2022
(3) Date of share transfer execution	November 18, 2022

8. Outlook for the future

This share transfer will have minor impact on consolidated financial results for the fiscal year ending March 31, 2023. Melco Capital Pte. Ltd. will be excluded from the Company's scope of consolidation as a result of this share transfer.

9. Matters concerning transactions with controlling shareholder, etc.

- (1) Correspondence to transactions with controlling shareholder, etc. and the state of conformity to the guidelines concerning measures to protect minority shareholders

This share transfer is a transaction with Makis Holding B.V., the parent company for Makis Co., Ltd. ("Makis"), which is the Company's parent company. The share transfer corresponds to a transaction with the Company's controlling shareholder, etc. As stated in the Guidelines Concerning Measures to Protect Minority Shareholders in Transactions, etc. with the Controlling Shareholder in the Corporate Governance Report which the Company disclosed on June 30, 2022, the Company has formulated the "Standards for Transactions with the Parent Company," to avoid disadvantaging minority shareholders in conducting

transactions and personnel exchanges with the parent company and the subsidiaries thereof (excluding the Group companies) in an effort to ensure transparent procedures with fair conditions. The Company requires advance approval by the Board of Directors for significant transactions and personnel exchanges, and periodic reports to the Board of Directors regarding the state of all transactions and personnel exchanges. The Company views this share transfer is in conformity to the above policy because required measures have been taken as stated below.

(2) Matters concerning measures to guarantee fairness and measures to avoid conflicts of interest

Firstly, the Company requested Toranomom Accounting Co., Ltd. (the “appraiser”), an independent third-party valuation agent, to determine share value and obtained the share valuation report therefrom in order to ensure the fairness and appropriateness of Melco Capital Pte. Ltd.’s corporate value and transfer value. Regarding the share transfer value, Melco Capital Pte. Ltd. had been a provider of investment management services. However, Melco Capital Pte. Ltd. had no rational plan for future revenue acquisition as it undertook no business from April 1, 2022 due to the transfer of its investment manager to another company in the Group. The Company adopted the adjusted net book value method because the values of assets and liabilities presently held are considered to represent the value of the appraised company. The Company decided the share transfer value in consultation with Makis Holding B.V. based on the shareholder value of Melco Capital Pte. Ltd. which the appraiser determined using the adjusted net book value method.

Secondly, in examining this share transfer, the Company inquired, as stated in the following section (3), four individuals who are its outside Directors not interested in Makis Holding B.V., the parent company for the Company’s controlling shareholder, and its independent officers registered with Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”), and obtained their opinion that this share transfer is not disadvantageous to the Company’s minority shareholders based on regulations established by the Tokyo Stock Exchange.

Thirdly, Hiroyuki Maki, the Company’s CEO who concurrently serves as the President of Makis Holding B.V., the Company’s controlling shareholder, and Daisuke Maki, the Company’s Director, did not take part in the deliberation and resolution on the agenda item concerning this share transfer.

(3) Summary of opinion obtained from parties not interested in the controlling shareholder concerning the point that the concerned transaction, etc. is not disadvantageous to minority shareholders

The Company asked Kenichi Fukuhara, Ichiro Hirata, Shigeru Sasaki and Jun Kamiya, who are the Company’s outside Directors and independent officers not interested in Makis Holding B.V., the parent company for the Company’s controlling shareholder, to examine whether or not the Company’s decision concerning this share transfer disadvantages its minority shareholders because the transfer corresponds to transactions with the controlling shareholder, etc. The Company obtained from the four individuals a written opinion to the effect that this share transfer does not disadvantage the Company’s minority shareholders on November 14, 2022.

The details of the written opinion are as follows.

We judged that the transaction for transferring the shares of Melco Capital Pte. Ltd. (“MCL”) to Makis Holding B.V. (“MH B.V.”) resolved by the Board of Directors of MELCO HOLDINGS INC. (the “Company”) does not disadvantage the Company’s minority shareholders from the following points of views.

(i) Appropriateness of transaction objective

In the Company’s decision to abolish the financial business, the transfer of MCL shares, which enables early liquidation, is appropriate because MCL is currently operating at a loss with no major operating revenue. The transfer of MCL shares is also a rational choice in this case because the Company can dispose of MCL shares at a higher price compared with liquidation and dissolution of MCL. No intention or factor disadvantageous to minority shareholders is assumed to be findable in the objective or details of the MCL share transfer.

(ii) Fairness of transaction procedures

Looking at transaction procedures, materials to determine the transfer value by an independent third-party agent and the like were properly disclosed and explained at a meeting of the Company’s Board of Directors. In addition, in the decision on this share transfer made by the Company’s Board of Directors, Hiroyuki Maki, who concurrently serves as the President of MH B.V., the parent company for Makis, the

Company's controlling shareholder, and the Company's CEO, and Daisuke Maki, the Company's Director, did not take part in the deliberation and resolution on the agenda item concerning this share transfer from the viewpoints of ensuring fairness and objectivity and avoiding doubts about conflicts of interest. Accordingly, decision-making procedures concerning this transaction are considered to have been performed fairly.

(iii) Fairness of transfer value determination

The transfer value is assumed to have been determined fairly because the independent third-party agent evaluated the price of the share and determined the central price in the valuation report as the transfer value.

(iv) Impact on the Company's corporate value

As stated above, this MCL share transfer was resolved in the course of the Company's decision to abolish the financial business. This step aimed at strengthening the Company's focus on other core businesses is assumed to enhance its corporate value.

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