

May 18, 2023

Company name:	MELCO HOLDINGS INC.
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Notice Concerning Status of Progress Based on Plan to Meet the Continued-Listing Criteria for the Prime Market and Application for Selection of the Standard Market

MELCO HOLDINGS INC. (the “Company”) applied for selection of the “Prime Market” on December 16, 2021. On the same day, the Company disclosed its “Plan to Meet the Continued-Listing Criteria for New Market Segments,” and on June 17, 2022, the Company made a disclosure concerning “Status of Progress Based on Plan to Meet the Continued Listing Criteria for the Prime Market.”

On May 17, 2023, the Company received notification concerning “Status of Meeting the Continued-Listing Criteria (Distribution Criteria)” from Tokyo Stock Exchange, Inc. (“TSE”) and confirmed its meeting all of the continued-listing criteria for the Prime Market as of March 31, 2023.

Concerning present circumstances, in conjunction with a revision to TSE’s rules coming into effect from April 1, 2023, an opportunity arose for the Company to consider re-selecting its listing on the Standard Market. Therefore, in light of the recent status of meeting the continued-listing criteria for the Prime Market and the current circumstances of the Company, the Company examined the option of re-selecting its listing. As a result, at the meeting of the Board of Directors held today, the Company resolved to apply for selection of the Standard Market for the following reasons. The Company has made this application and provides notice accordingly.

1. Reasons for selecting to list on the Standard Market

- (1) On January 23, 2023, the Company announced “Notice Concerning the Start of Preparations for a Share-Distribution-Type Spin-off and the Start of Preparations for Listing the Shares of the Consolidated Subsidiary Shimadaya Corporation” (this content collectively referred to as the “Spin-off”). As previously mentioned in that announcement, the Company is currently earnestly engaged in carrying out the Spin-off for the purpose of maximizing shareholder value over the long term.

As of April 30, 2023, the Company’s market capitalization was approximately ¥56.0 billion. In the event that the Spin-off is executed, the Company’s share price would theoretically be adjusted by an amount equivalent to the value of Shimadaya Corporation. Therefore, the Company’s market capitalization will decrease commensurately. In considering the concept of TSE’s new market segments, the Company has come to the conclusion that the Standard Market would be appropriate based on size.

- (2) The Company places emphasis on shareholder returns, and up until now, it has targeted a total return ratio of 80%. Considering the continued-listing criteria for the Prime Market and for Standard Market, the Company believes that selection of the Standard Market would enable a more diverse range of methods for shareholder return and promoting agile and flexible capital policy.

Even through transition to the Standard Market, the Company will not change its policy of conducting initiatives to improve shareholder value over the medium and long terms through sustainable growth and strengthening the corporate governance structures.

2. Statuses of meeting the continued-listing criteria for the Prime Market and the Standard Market

The Company's statuses of meeting the continued-listing criteria, including its trends, are provided below. As of March 31, 2023, the Company fully met the continued-listing criteria for the Prime Market and the Standard Market.

Therefore, going forward, as of the judgment base date of each item of the continued-listing criteria for the Standard Market, if the Company meets all of the continued-listing criteria for that market, the Company will not disclose the "Plan to Meet Continued Listing Criteria."

		Number of Shareholders	Number of tradable shares	Tradable share market capitalization	Tradable share ratio	Average daily trading value	Average monthly trading volume	Amount of net assets
Status of the Company's meeting and its trends (*)	As of June 30, 2021 (As of the transition base date)	– Met	– Met	– Met	25.0% Not met	– Met	–	– Met
	As of December 16, 2021 (Content disclosed in the plan)	– Met	– Met	– Met	35.26% Met	– Met	–	– Met
	As of March 31, 2022 (Calculated by the Company)	3,831 Met	63,278 units Met	¥24.1 billion Met	35.27% Met	¥0.14 billion Met	–	– Met
	As of March 31, 2023 (As of this judgment base date)	4,163 Met	62,996 units Met	¥20.5 billion Met	37.1% Met	¥0.075 billion Met	3,046 units Met	¥62.4 billion Met
Continued-listing criteria for the Prime Market		800	20,000 units	¥10.0 billion	35%	¥0.02 billion	–	Net positive
Continued-listing criteria for the Standard Market		400	2,000 units	¥1.0 billion	25%	–	10 units	Net positive

(*) Concerning the Company's status of meeting and its trends, the information as of June 30, 2021 was calculated based on the distribution status of the Company's share certificates, etc. that were known by TSE at the time of the transition base date, and the information as of March 31, 2022 was calculated by the Company based on the distribution status of the Company's share certificates, etc. and Monthly Quotations (Stock Quotations), etc. in accordance with TSE's calculation method for after the transition to the new market segments (April 4, 2022). The information for the "average daily trading value" of the Company's status of meeting the continued-listing criteria for the Prime Market as of March 31, 2023, states the average daily trading value for the period from January 1, 2022 to December 31, 2022, which was in the notice received from TSE on January 11, 2023. For the other items in the above table (excluding amount of net assets), the stated information is based on the "Status of Meeting Continued-Listing Criteria (Distribution Criteria)" received from TSE on May 17, 2023.

Note that the average monthly trading volume as of March 31, 2023 is calculated by dividing the total trading volume from July 2022 to December 2022 by six (months) to obtain the monthly average.

3. Planned date of transition to the Standard Market

Based on the schedule determined by TSE, the transition date will be October 20, 2023.

Trading of the Company's shares will be moved to the Standard Market effective on and after that date, and trading will be continued on that market.

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