

August 9, 2024

Company name: MELCO HOLDINGS INC.
Name of representative: Hiroyuki Maki, President and CEO
(Securities code: 6676)
Inquiries: Hideto Fukaya, General Manager,
CEO's Office
(Telephone: +81-3-4213-1122)

Notice Concerning Proportion of Distributed Assets (Estimate of Proportion to be Finalized) Related to Dividends in Kind of Subsidiary Shares (Share-Distribution-Type Spin-off)

MELCO HOLDINGS INC. (the "Company") decided at a meeting of the Board of Directors held on May 13, 2024, to submit to the 38th Annual General Meeting of Shareholders held on June 26, 2024 ("this General Meeting of Shareholders") a proposal to distribute all of the shares of the Company's subsidiary Shimadaya Corporation ("Shimadaya") held by the Company to shareholders through dividends in kind (dividends of property other than cash) (the "Spin-off"). That proposal relating to the Spin-off was approved at this General Meeting of Shareholders. As an estimate has been made for the proportion of distributed assets to be finalized for the Spin-off (the proportion prescribed in Article 23, paragraph (1), item (iii) of the Order for the Enforcement of the Corporation Tax Act and Article 61, paragraph (2), item (iii) of the Order for Enforcement of the Income Tax Act related to share distribution), the Company hereby announces the details as described below.

The proportion of distributed assets will ultimately be finalized when the Spin-off takes effect. However, as no significant changes are expected at this point in time, the Company hereby announces an estimate of the proportion to be finalized. Regarding the notification of the proportion of the distributed assets based on Article 119-8-2, paragraph (2) of the Order for the Enforcement of the Corporation Tax Act and Article 113-2, paragraph (4) of the Order for Enforcement of the Income Tax Act to be provided to the Company's shareholders on September 30, 2024, the record date of the Spin-off, it is expected to be dispatched around the end of October 2024.

1. Proportion of distributed assets

Proportion of distributed assets (estimate of proportion to be finalized): "0.275"

2. Tax treatment

(1) Individual Shareholders

The acquisition prices of shares of the Company's stock and shares of Shimadaya's stock for individual shareholders for the purpose of taxation after the Spin-off shall be the prices calculated by the following formulas using the proportion of distributed assets (Article 113-2, paragraph (1) and (2) of the Order for Enforcement of the Income Tax Act).

Acquisition price per share of Shimadaya's stock (X) = Acquisition price before adjustment per share of the Company's stock (Y) × Proportion of distributed assets ("0.275") ÷ ratio of allocation ("1")

Acquisition price per share of the Company's stock after the Spin-off (Z) = (Y) - (Y) × proportion of distributed assets ("0.275")

<<Example>> Acquisition price after adjustment in the event of purchasing the Company's stock at a price of ¥3,290 per share (closing price of common shares of the Company's stock on the Tokyo Stock Exchange Standard Market on July 31, 2024)

Acquisition price per share of Shimadaya's stock = ¥3,290 × 0.275 ÷ 1 = ¥905

Acquisition price per share of the Company's stock after the Spin-off = ¥3,290 - (¥3,290 × 0.275) = ¥2,385

* Please note that the adjustment of the acquisition prices is for tax purposes only, and the acquisition prices for tax purposes mentioned above do not mean the values of shares of Shimadaya's stock and shares of the Company's stock after the Spin-off, respectively.

(2) Corporate shareholders

The acquisition prices of shares of the Company's stock and shares of Shimadaya's stock for corporate shareholders for the purpose of taxation after the Spin-off shall be the prices calculated by the following formulas using the proportion of distributed assets (Article 119, paragraph (1), item (viii) and Article 119-3, item (xiv) of the Order for the Enforcement of the Corporation Tax Act).

Book value (for tax purposes) of shares of Shimadaya's stock (P) = book value (for tax purposes) of shares of the Company's stock before adjustment (Q) × proportion of distributed assets ("0.275")
Book value (for tax purposes) of shares of the Company's stock after the Spin-off (R) = (Q) - (P)

* The descriptions of tax treatment above do not exhaust the tax procedures, etc. required of shareholders, nor mention the tax treatment in countries other than Japan in relation to the Spin-off. Specific tax procedures and the tax treatment on the side of shareholders may vary depending on the individual circumstances of each shareholder. Please consult with your local tax office, tax accountant, etc. to determine how the Spin-off shall be treated for tax purposes under your own circumstances.

###