

February 14, 2025

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 Capital and Business Alliance with SECURE, INC. and Underwriting of Third Party Allocation of New Shares

MELCO HOLDINGS INC. (the "Company") hereby announces that it has decided, by written resolution on February 14, 2025, in lieu of a resolution of the Board of Directors pursuant to Article 370 of the Companies Act (Act No. 86 of 2005, including amendments thereto; the "Companies Act"), to conclude a capital and business alliance agreement (the "Alliance Agreement") (the capital and business alliance based on the Alliance Agreement: the "Alliance") with SECURE, INC. ("SECURE"), and acquire shares in SECURE by underwriting a third party allocation of new shares (the "Third Party Allocation of New Shares") to be implemented by SECURE. The details are described below.

1. Purpose and reason for the Alliance

The Group's IT-Related Business has the Mid-Term Vision "Gateway 2.0" (home network innovations, public gateway solutions, data storage optimization) that aims to provide a safe network for all of society in the IoT era. It develops, manufactures, and sells digital consumer appliances and computer peripherals, and also provides data recovery services.

SECURE has a vision of "creating new values through our AI technologies and security solutions." It develops and provides high-value-added solutions that combine AI (image recognition) technology with physical security systems such as access control and surveillance camera systems.

Following discussions and careful consideration with SECURE, the Company has reached the conclusion that a capital and business alliance between the Company and SECURE can be expected to produce the following business synergies. The expected synergies are as follows, categorized by type and time frame.

- Tier 1: Function and infrastructure synergies (short term)
Synergies based on the current products and operations of both companies
(i) Joint purchasing; (ii) Consolidation of construction and installation work; (iii) Consolidation of contact centers
- Tier 2: Engineering synergies (medium term)
Improvements to products, services, and operations in the current businesses
(i) Joint development of storage and network equipment; (ii) Improvements to kitting and installation work; (iii) Improvements to equipment quality
- Tier 3: Business creation synergies (long term)
Joint development of new services and business domains
(i) Overseas expansion; (ii) Expansion of AI solutions

As a result, both companies decided to conclude the Alliance Agreement after deliberations at their respective Board of Directors meetings.

2. Details of the Alliance

(1) Details of business alliance

The Company and SECURE aim to improve their corporate value over the medium to long term by combining their capabilities to create synergies between the two companies. Specifically, the synergies that are based on the current products and operations of the two companies are defined as “function and infrastructure synergies.” With the aim of improving the corporate value of both companies over the medium to long term, the collaboration will focus on creating cost synergies in the short term, and on creating new businesses and expanding business domains in the medium to long term.

(2) Details of capital alliance

The Company plans to underwrite 800,000 common shares in SECURE at a price of ¥1,819 per share for a total of ¥1,455,200 thousand (14.35% of the voting rights after the Third Party Allotment of New Shares) through third party allocation of new shares with the Company as the allottee, implemented by SECURE. The Company does not currently hold any shares in SECURE. In addition, SECURE does not currently hold any shares in the Company.

3. Overview of the partner of the Alliance

(1) Name	SECURE, INC.		
(2) Address	20th floor, Shinjuku Sumitomo Building, 2-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan		
(3) Title and name of representative	Tatsunari Taniguchi, Representative Director and President		
(4) Business description	Security solutions business		
(5) Share capital	¥546,884 thousand		
(6) Date of establishment	October 16, 2002		
(7) Major shareholders and percentage of shareholding	LYON G.K.	21.25%	
	Tatsunari Taniguchi	9.10%	
	Toshinari Taniguchi	8.37%	
	Takanari Taniguchi	7.78%	
	YSH G.K.	6.16%	
	CBC Co., Ltd.	4.77%	
	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.20%	
	BroadBand Tower, Inc.	3.14%	
	The Toho Bank, Ltd.	2.51%	
	Morpho, Inc.	1.57%	
	The Nomura Trust and Banking Co., Ltd. (Trust Account)	1.36%	
(8) Relation between the listed company and the said company	Capital relationship	Not applicable.	
	Personnel relationship	Not applicable.	
	Business relationship	Not applicable.	
	Correspondence to the related party	Not applicable.	
(9) Consolidated financial results and consolidated financial position of the said company for the last three years			
Fiscal year	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Consolidated net assets	¥983,086 thousand	¥842,138 thousand	¥1,022,308 thousand
Consolidated total assets	¥1,981,467 thousand	¥1,993,000 thousand	¥2,749,733 thousand
Consolidated net assets per share	¥214.15	¥178.53	¥215.42
Consolidated net sales	¥3,378,576 thousand	¥3,384,508 thousand	¥5,191,074 thousand
Consolidated operating profit	¥155,416 thousand	¥169,596 thousand	¥187,985 thousand
Consolidated ordinary profit	¥148,041 thousand	¥(183,605) thousand	¥175,425 thousand
Profit attributable to owners of parent	¥131,476 thousand	¥(227,627) thousand	¥168,790 thousand
Consolidated earnings per share	¥31.67	¥(48.52)	¥35.67
Dividend per share	¥-	¥-	¥-

Notes: 1. As of December 31, 2024

2. The percentage of shareholding is the ratio of the number of shares held to the total number of issued shares, excluding treasury stock held by SECURE.

4. Schedule

(1) Date of resolution by the Board of Directors of the Company	February 14, 2025
(2) Date of conclusion of the Capital and Business Alliance Agreement	February 14, 2025
(3) Date of acquisition of shares and payment through the Third Party Allocation of New Shares	March 3, 2025

5. Outlook for the future

The impact of the conclusion of the Alliance Agreement on the Company's business results for the fiscal year ending March 31, 2025 is immaterial. The Company will promptly disclose any matters that should be disclosed in the future.