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Securities code: 9697

May 30, 2024

To: Shareholders

Notice of Convocation of the 45th Ordinary General Meeting of Shareholders

We would like to express our appreciation for your continued support, and we also would like to inform you that the 45th Ordinary General Meeting of Shareholders of CAPCOM Co., Ltd. (the “Company”) will be held as described below. The Company has taken measures for electronic provision in convening this General Meeting of Shareholders and posted matters subject to measures for electronic provision on the Company’s website and other internet site(s) set out below.

[The Company’s website]

<https://www.capcom.co.jp/ir/english/stock/meeting.html>

[Tokyo Stock Exchange (TSE) website (Listed Company Search)]

The matters subject to measures for electronic provision are also posted on the Tokyo Stock Exchange, Inc. (TSE) website. Please access the TSE website listed below (Listed Company Search), perform a search by inputting “CAPCOM” into “Issue name (company name)” or “9697” (half-width) into securities “Code,” and select “Basic information” and then “Documents for public inspection/PR information.”

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

You can exercise your voting rights regarding the proposals via the Internet or by mail. Please review the Reference Documents for the General Meeting of Shareholders listed below and exercise your voting rights by 5:30 p.m. Japan time on Wednesday, June 19, 2024.

[Exercising your voting rights by mail]

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and return the form to the Company before the deadline stated above.

[Exercising your voting rights via the Internet]

Note: Voting via the Internet by means other than the ICJ platform is only available for registered shareholders in Japan in the Japanese language. The ICJ platform is an electronic voting platform for institutional investors via ProxyEdge® system of Broadridge. For further details, please consult with your custodian(s), nominee(s) and/or broker(s).

Exercising voting rights via the Internet can only be done by accessing the website of Mitsubishi UFJ Trust and Banking Corporation, the administrator of the shareholder register (<https://evote.tr.mufg.jp/>). Please use the log-in ID and temporary password shown on the Voting Rights Exercise Form. After logging in, please indicate your approval or disapproval of each proposal before the deadline stated above by following the instructions on the display screen.

Please see the Guidance for the Exercise of Voting Rights via the Internet attached below (*note: intentionally omitted*).

The Company participates in the electronic voting rights execution platform for institutional investors operated by ICJ, Inc.

If voting rights are exercised both via the Internet and using the Voting Rights Exercise Form, the voting rights exercised via the Internet will be considered valid.

(Note)

Your vote is important. We appreciate your participation in the Meeting through the provision of instruction to your custodian(s), broker(s), nominee(s), voting agent(s), or other authorized intermediaries to process your vote as soon as possible. We look forward to receiving your vote.

Yours faithfully,

CAPCOM Co., Ltd.
1-3, Uchihirano-machi 3-chome, Chuo-ku,
Osaka, Japan
By: Haruhiro Tsujimoto
President and COO
Representative Director

Particulars

1. Date & Time: June 20, 2024 (Thursday) at 10:00 a.m.
(Reception is scheduled to open at 9:00 a.m.)
2. Place: The Ritz-Carlton Osaka, The Ritz-Carlton Grand Ballroom, 4th floor
5-25 Umeda 2-chome, Kita-ku, Osaka
3. Meeting Agenda:

Matters to be reported:

1. The Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements for the Company's 45th Fiscal Year (April 1, 2023 - March 31, 2024)
2. Results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements for the Company's 45th Fiscal Year (April 1, 2023 - March 31, 2024)

Proposals to be resolved:

- | | |
|--------------------|---|
| Proposal 1: | Appropriation of Retained Earnings |
| Proposal 2: | Election of Twelve (12) Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee) |
| Proposal 3: | Election of Three (3) Directors Who Are Members of the Audit and Supervisory Committee |
| Proposal 4: | Election of One (1) Substitute Director Who Is a Member of the Audit and Supervisory Committee |
| Proposal 5: | Revision of Remuneration for Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee) |
| Proposal 6: | Introduction of a Performance-linked Stock Remuneration System for Directors (Excluding External Directors and Directors Who Are Members of the Audit and Supervisory Committee) |

4. Others:

- If voting rights are exercised both via the Internet and by mail, the voting rights exercised via the Internet will be recognized as valid.
- If voting rights are exercised multiple times via the Internet, the last vote made will be recognized as valid.
- If there is no indication of approval or disapproval of each proposal on the Voting Rights Exercise Form, it will be deemed as approved.

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- The documents sent also serve as documents stating the matters subject to measures for electronic provision based on the request for delivery of documents. Based on laws and regulations and the provisions of Article 15, Paragraph 2 of the Company's Articles of Incorporation, the following items are omitted. Accordingly, the relevant documents are part of the documents audited by the Accounting Auditor and the Audit and Supervisory Committee when preparing the audit report.
 - Consolidated notes to the consolidated financial statements
 - Non-consolidated notes to the non-consolidated financial statements
 - If any amendments are made to the matters subject to measures for electronic provision, said amendments will be posted on each website listed above.
 - Instead of sending out a written notice on the results of the resolutions of this Ordinary General Meeting of Shareholders, the results will be posted on the Company's website (<https://www.capcom.co.jp/ir/english/stock/meeting.html>) after the conclusion of the Ordinary General Meeting of Shareholders.

- If the situation changes by the day of the General Meeting of Shareholders due to future circumstances, information will be posted on the Company's website (<https://www.capcom.co.jp/ir/english/stock/meeting.html>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Retained Earnings

The Company considers the return of profits to shareholders to be one of its most important management issues. Taking future business development and changes in the business environment into consideration, the Company aims for the consolidated payout ratio of 30% as its basic policy and strives to continuously pay stable dividends.

The Company ensures the investments necessary to increase corporate value and financial soundness. Based on the above policy, and from the perspective of shareholder returns that take cash flows into consideration, as well as the fact that the Company achieved a new record high in terms of net income attributable to owners of the parent, the Company proposes a year-end dividend of ¥43 per share for the fiscal year under review, which represents an increase of ¥3 compared to the previous fiscal year's year-end dividend of ¥40 (¥30 as ordinary dividend, ¥10 as commemorative dividend).

As a result, the annual dividend for the fiscal year under review will be ¥70 per share, as the Company already paid an interim dividend of ¥27 per share, and the consolidated payout ratio will be 33.7%.

1. Type of dividend property
Cash
2. Matters concerning the allotment of dividend property and the total amount paid to shareholders
Per share of common stock of the Company: ¥43 Total: ¥9,163,787,620
3. Effective date of appropriation of surplus
June 21, 2024 (Friday)

(Reference) Trends in dividends, etc.

	41st Fiscal Year ended March 2020	42nd Fiscal Year ended March 2021	43rd Fiscal Year ended March 2022	44th Fiscal Year ended March 2023	45th Fiscal Year ended March 2024 (Fiscal Year under Review)
Annual Dividend per Share (Yen)	45	71	46	63	70
Annual Dividend (Millions Yen)	4,803	7,579	9,820	13,426	14,917
Consolidated Dividend Payout Ratio (%)	30.1	30.4	30.2	36.1	33.7

(Notes) 1. A stock split took place as at April 1, 2024, whereby one ordinary share was split into two shares.

2. The consolidated payout ratio for the 44th Fiscal Year was calculated with the inclusion of a 40th anniversary commemorative dividend of ¥10.

3. The figures for the 45th Fiscal Year (Fiscal Year under Review) assume that this proposal will be approved as originally proposed.

Proposal 2: Election of Twelve (12) Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee)

The terms of office of all twelve (12) current Directors (excluding Directors who are members of the Audit and Supervisory Committee) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect twelve (12) Directors.


In the selection of the candidates for Director, to enhance transparency and objectivity, the Company consulted the Nomination and Remuneration Committee (chaired by an External Director, with External Directors comprising the majority of its members), and the Board of Directors decided on the candidates after deliberation and recommendations by the Committee.

The Audit and Supervisory Committee, as a result of deliberation of this proposal, has expressed its opinion that the candidates are appropriate as Directors of the Company.


The candidates for Director are as follows.

No.	Name	Current positions and responsibilities at the Company	Years serving as Director (Tenure)	Attendance at the Board of Directors meetings (BOD attendance)	Number of listed companies concurrently served
1	Kenzo Tsujimoto [Internal] [Reappointment]	Chairman and Representative Director, Chief Executive Officer (CEO)	41	9/10 90%	–
2	Haruhiro Tsujimoto [Internal] [Reappointment]	President and Representative Director, Chief Operating Officer (COO), in charge of Arcade Operations Business	27	10/10 100%	–
3	Satoshi Miyazaki [Internal] [Reappointment]	Representative Director, Executive Vice President, Chief Human Resources Officer (CHO), in charge of Corporate Management	3	10/10 100%	–
4	Kenkichi Nomura [Internal] [Reappointment]	Director, Executive Vice President, Chief Financial Officer (CFO), deputy in charge of Corporate Management	8	10/10 100%	–
5	Yoichi Egawa [Internal] [Reappointment]	Director, Executive Corporate Officer, Chief Product Officer (CPO), in charge of Development Divisions and Pachinko & Pachislo Business Divisions	11	10/10 100%	–
6	Yoshinori Ishida [Internal] [Reappointment]	Director, Executive Corporate Officer, in charge of Global Business Division	2	10/10 100%	–
7	Ryozo Tsujimoto [Internal] [Reappointment]	Director, Executive Corporate Officer, and deputy in charge of Development Divisions	2	10/10 100%	–
8	Toru Muranaka [External] [Reappointment] [Independent]	Director	8	10/10 100%	1
9	Yutaka Mizukoshi [External] [Reappointment] [Independent]	Director	6	9/10 90%	1
10	Toshiro Muto [External] [Reappointment] [Independent]	Director	2	10/10 100%	–
11	Yumi Hirose [External] [Reappointment] [Independent]	Director	2	10/10 100%	1
12	Main Kohda [External] [New appointment] [Independent]	–	–	–	2


(Note) “Years serving as Director (Tenure)” are as of the conclusion of this General Meeting of Shareholders.


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 <p>[Internal] [Reappointment]</p> <p>Kenzo Tsujimoto (December 15, 1940)</p> <p>[Tenure] 41 years</p> <p>[BOD attendance] 9/10 (90%)</p>	<p>Jun. 1983 President and Representative Director of the Company Apr. 1997 Chairman of the Association of Copyright for Computer Software Apr. 2001 Chief Executive Officer (CEO) of the Company (to present) Jul. 2007 Chairman and Representative Director (to present) Dec. 2007 CEO of Kenzo Estate, Inc. (to present) Feb. 2010 Representative Director of Kenzo Estate Winery Japan Co., Ltd. (to present)</p> <p>[Significant concurrent positions] CEO of Kenzo Estate, Inc. Representative Director of Kenzo Estate Winery Japan Co., Ltd.</p>	4,039,860
<p>[Reason for nomination and expected roles] Mr. Kenzo Tsujimoto has led the Capcom Group as CEO with his strong leadership, excellent foresight, and abundant experience, as well as his ability to make swift decisions and execute them well. His charismatic presence as the founder of the Company provides a spiritual linchpin and unifying force for the Company's officers and employees. In light of his achievements to date, and as he can be expected to continue to contribute to the enhancement of corporate value, the Company requests his re-election as Director.</p>			
<p>[Special interests between the candidate and the Company] Mr. Tsujimoto is concurrently the Representative Director and CEO of the Kenzo Estate Group. The Company has a trading relationship with the Group, including purchase of its products. Transactions accounted for less than 1% of consolidated net sales for the Company, and the Company's Board of Directors has approved these transactions as a conflict-of-interest transaction.</p>			

(Note) A stock split took place as at April 1, 2024. Number of share of the Company held at each candidate was as at March 31, 2024.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 <p>[Internal] [Reappointment]</p> <p>Haruhiro Tsujimoto (October 19, 1964)</p> <p>[Tenure] 27 years</p> <p>[BOD attendance] 10/10 (100%)</p>	<p>Apr. 1987 Joined the Company</p> <p>Jun. 1997 Director</p> <p>Feb. 1999 Managing Director</p> <p>Apr. 2001 Senior Managing Director</p> <p>Jul. 2004 Director and Executive Corporate Officer</p> <p>Apr. 2006 Director and Executive Vice President</p> <p>Jul. 2007 President and Representative Director, Chief Operating Officer (COO) (to present)</p> <p>Aug. 2016 President and Representative Director, in charge of Global Marketing Business and Arcade Operations Business</p> <p>Jun. 2022 President and Representative Director, in charge of Arcade Operations Business (to present)</p> <p>May 2023 Chairman, Computer Entertainment Supplier's Association (to present)</p> <p>[Significant concurrent positions] Chairman, Computer Entertainment Supplier's Association</p>	6,026,300
<p>[Reason for nomination and expected roles]</p> <p>Since taking office as President, Mr. Haruhiro Tsujimoto has, as COO, been engaged in the deep cultivation of the Company's existing business and in the diversification of its business fields. In addition to strengthening software development, the core business of the Capcom Group, and promoting its Single Content Multiple Usage Strategy, he has worked to enhance the Arcade Operations and eSports business. He has also worked steadily to strengthen the Company's management foundations with agile management and sound executive skills in response to changes in the environment.</p> <p>As he can be expected to continue to contribute to the Company's advancement, the Company requests his re-election as Director.</p>			
<p>[Special interests between the candidate and the Company]</p> <p>Mr. Tsujimoto is concurrently the Chairman of Computer Entertainment Supplier's Association, with which the Company has a trading relationship, including the payment of annual membership fees.</p>			


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 <p>[Internal] [Reappointment]</p> <p>Satoshi Miyazaki (February 23, 1960)</p> <p>[Tenure] 3 years</p> <p>[BOD attendance] 10/10 (100%)</p>	<p>Apr. 1983 Joined The Industrial Bank of Japan, Ltd. (now Mizuho Bank, Ltd.)</p> <p>Apr. 2011 Executive Officer, General Manager of Corporate Banking Division No. 6 of the Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)</p> <p>Apr. 2013 Managing Executive Officer in charge of Sales of Mizuho Corporate Bank, Ltd. and Mizuho Bank, Ltd.</p> <p>Apr. 2016 Executive Officer and Deputy President in charge of Western Japan of Mizuho Financial Group, Inc. Representative Director and Deputy President, Executive Officer in charge of Western Japan of Mizuho Bank, Ltd.</p> <p>Apr. 2020 Representative Director and Deputy President of Mizuho Bank, Ltd.</p> <p>Apr. 2021 Resigned from the post above</p> <p>May 2021 Executive Vice President of the Company (to present)</p> <p>Jun. 2021 Director (to present)</p> <p>Apr. 2022 Director, Chief Human Resources Officer (CHO) and in charge of Corporate Management (to present)</p> <p>Apr. 2024 Representative Director (to present)</p>	5,000
<p>[Reason for nomination and expected roles]</p> <p>With his many years of experience working for financial institutions and his broad insight and knowledge, Mr. Satoshi Miyazaki is working to strengthen the foundations of the Capcom Group's top management and overall management. As well as having oversight of the Administrative Divisions in general, he is also pushing forward with the Company's human resources investment strategy as CHO.</p> <p>As he can be expected to continue to contribute to the Company's sustainable growth and enhancement of corporate value, the Company requests his re-election as Director.</p>			
<p>[Special interests between the candidate and the Company]</p> <p>There are no special interests between the candidate and the Company.</p>			


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	 [Internal] [Reappointment] Kenkichi Nomura (May 18, 1955) [Tenure] 8 years [BOD attendance] 10/10 (100%)	Apr. 2009 Corporate Officer, Head of Internal Control of the Company Jul. 2010 Managing Corporate Officer, Head of Financial and Accounting Jun. 2015 Managing Corporate Officer, Head of Financial and Accounting, and Head of Secretarial Affairs, Public Relations and Investor Relations Apr. 2016 Executive Corporate Officer, General Manager of Finance, Accounting and Public Relations Divisions Jun. 2016 Director, Chief Financial Officer (CFO) (to present), in charge of Corporate Management Apr. 2020 Director, in charge of Corporate Management and Planning and Strategy Divisions Apr. 2022 Director, deputy in charge of Corporate Management (to present) Jul. 2023 Director, Head of Legal Affairs and Asset Management (to present) Apr. 2024 Director, Executive Vice President (to present)	12,000
[Reason for nomination and expected roles] With his expert knowledge and wealth of experience in finance, accounting, investor and public relations, and risk management, Mr. Kenkichi Nomura has overseen the Company's Administrative Divisions in general as CFO and has worked to build a strong financial structure for the Capcom Group for the achievement of its medium-term management objective. He also works tirelessly in a wide range of fields, including management planning and implementation of business strategy, to achieve further growth for the Company. As he can be expected to continue to play an important role in the advancement of the Company, the Company requests his re-election as Director.			
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 <p>[Internal] [Reappointment]</p> <p>Yoichi Egawa (November 15, 1963)</p> <p>[Tenure] 11 years</p> <p>[BOD attendance] 10/10 (100%)</p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 1999 General Manager of Creative Division 5</p> <p>Aug. 1999 Corporate Officer, General Manager of Creative Division 5</p> <p>Apr. 2011 Managing Corporate Officer</p> <p>Apr. 2013 Executive Corporate Officer (to present)</p> <p>Jun. 2013 Director, in charge of Arcade Business and Pachinko & Pachislo Business</p> <p>Jul. 2016 Director, in charge of Amusement Equipment Business, Arcade Operations Business and Consumer Games Development</p> <p>Apr. 2019 Director, in charge of Consumer Games Development and Pachinko & Pachislo Business Divisions</p> <p>Apr. 2020 Director, in charge of Development Divisions and Pachinko & Pachislo Business Divisions (to present)</p> <p>Apr. 2024 Director, Chief Product Officer (CPO) (to present)</p>	10,100
<p>[Reason for nomination and expected roles]</p> <p>Since joining the Company, Mr. Yoichi Egawa has been engaged in development, manufacturing, and sales, and in the operation of amusement facilities for many years, and as such, he possesses a high degree of expertise and a wealth of experience and knowledge. He possesses broad knowledge of games in general and a familiarity with actual operations, and is a leading authority in the development of consumer games. Thus, he can be expected to contribute to the expansion of the Company's business as CPO. For this reason, the Company requests his re-election as Director.</p>			
<p>[Special interests between the candidate and the Company]</p> <p>There are no special interests between the candidate and the Company.</p>			


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	 [Internal] [Reappointment] Yoshinori Ishida (March 23, 1970) [Tenure] 2 years [BOD attendance] 10/10 (100%)	Apr. 1992 Joined the Company Apr. 2005 General Manager of Sales Promotion Division Mar. 2011 Deputy Head of Consumer Games Business Division Apr. 2013 Corporate Officer, Head of Domestic Consumer Games Business Division Apr. 2016 Corporate Officer, Head of Japan & Asia Business Division Jun. 2017 Corporate Officer, Head of Japan & Asia Business Division and Deputy Head of Mobile Online Development Division Apr. 2019 Managing Corporate Officer, Head of Japan & Asia Business Division, and Deputy Head of Mobile Online Development Division Sep. 2021 Managing Corporate Officer, Head of Global Business Division Apr. 2022 Executive Corporate Officer (to present) Jun. 2022 Director, in charge of Global Business Division (to present) Apr. 2024 Director, Head of Global Business Division and E- Character License Business Division (to present)	3,800
[Reason for nomination and expected roles] Mr. Yoshinori Ishida is highly knowledgeable about trends in the games market and the business environment, having worked in the consumer business for many years since joining the Company. He also has a wealth of experience in overseas business and development. As he can be expected to continue to contribute to the further promotion of the global expansion of the Company's business, the Company requests his re-election as Director.			
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			


No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	 <p>[Internal] [Reappointment]</p> <p>Ryozo Tsujimoto (October 18, 1973)</p> <p>[Tenure] 2 years</p> <p>[BOD attendance] 10/10 (100%)</p>	<p>Apr. 1996 Joined the Company</p> <p>Sep. 2013 General Manager of Development Division 3</p> <p>Apr. 2014 Corporate Officer, Head of Consumer Games Development Division 3</p> <p>Jun. 2017 Corporate Officer, Head of Consumer Games Development Division 3 and Head of Mobile Online Development Division</p> <p>Apr. 2018 Managing Corporate Officer, Head of Consumer Games Development Division 2 and Head of Mobile Online Development Division</p> <p>Oct. 2020 Managing Corporate Officer, Head of Consumer Games Development Division 2 (to present)</p> <p>Apr. 2022 Executive Corporate Officer (to present)</p> <p>Jun. 2022 Director, deputy in charge of Development Division (to present)</p>	5,968,800
<p>[Reason for nomination and expected roles]</p> <p>Mr. Ryozo Tsujimoto has a great deal of expertise and a wealth of knowledge, having worked in games development for many years since joining the Company. With his broad knowledge about games in general and his familiarity with actual operations, he can be expected to continue to contribute to the advancement of the Company. For this reason, the Company requests his re-election as Director.</p>			
<p>[Special interests between the candidate and the Company]</p> <p>There are no special interests between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
	 <p>[External] [Reappointment] [Independent]</p> <p>Toru Muranaka (June 3, 1965)</p> <p>[Tenure] 8 years</p> <p>[BOD attendance] 10/10 (100%)</p>	<p>Apr. 1995 Admitted to the bar (Osaka Bar Association) Joined Daiichi Law Office (now Daiichi Legal Professional Corporation)</p> <p>Dec. 2007 Partner of Daiichi Legal Professional Corporation (to present)</p> <p>May 2014 External Audit & Supervisory Board Member of Furuno Electric Co., Ltd. (to present)</p> <p>Jun. 2015 Outside Audit & Supervisory Board Member of Suzuken Co., Ltd.</p> <p>Jun. 2016 External Director of the Company (to present)</p> <p>[Significant concurrent positions] Partner of Daiichi Legal Professional Corporation External Audit & Supervisory Board Member of Furuno Electric Co., Ltd.</p>	2,300
8	<p>[Reason for nomination and expected roles as External Director]</p> <p>Although Mr. Toru Muranaka has not participated in management of companies other than as an external director or an external audit & supervisory board member, he is an attorney specializing in the Companies Act, Financial Instruments and Exchange Act and other areas. In addition to holding a high degree of expertise and wide-ranging insight and knowledge, he gives recommendations and advice to the Company mainly on legality and appropriateness from a professional viewpoint.</p> <p>As he can be expected to continue to contribute to stronger audit and supervision of the Board of Directors mainly from a legal perspective, the Company requests his re-election as External Director.</p>		
<p>[Special interests between the candidate and the Company]</p> <p>There are no special interests between the candidate and the Company.</p>			
<p>[Independence]</p> <p>Mr. Muranaka is a Partner of Daiichi Legal Professional Corporation, with which the Company has entered into a legal counsel agreement. However, the total amount involved in transactions between the two parties, at less than ¥10 million and accounting for less than 1% of the consolidated net sales or transaction value of either party, is insignificant. This complies with the Criteria for Independence of External Directors of the Company. Accordingly, the Company has judged that the foregoing will not adversely affect Mr. Muranaka's independence.</p> <p>In addition, the Company has registered Mr. Muranaka as an Independent Director with Tokyo Stock Exchange, Inc., and if he is re-elected, the Company plans to maintain his registration as an Independent Director.</p> <p>Please see Page 25 for the Company's Criteria for Independence of External Directors.</p>			
<p>[Liability Limitation Agreement]</p> <p>The Company has entered into a liability limitation agreement with Mr. Muranaka pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Mr. Muranaka is re-elected, the Company plans to continue this agreement.</p>			
<p>[Other items related to the candidate]</p> <p>In December 2020, criminal charges were brought against Suzuken Co., Ltd. ("Suzuken"), of which Mr. Muranaka served as an Outside Audit & Supervisory Board Member until June 2021, in relation to a violation of the Antimonopoly Act in bids made by Suzuken to the Japan Community Healthcare Organization (JCHO). The Tokyo District Court handed down a verdict ordering the payment of a fine by Suzuken and a guilty verdict on the individuals involved, with their sentences to be suspended, in June 2021. Suzuken also received an administrative penalty from the Japan Fair Trade Commission in March 2022.</p> <p>The violation was discovered during an onsite investigation by the regulatory authorities in November 2019. Following the discovery, Mr. Muranaka, as an Audit & Supervisory Board Member, carefully monitored, through audits, the actions taken by the executive team, including cooperation with the investigation, inquiries into the causes of the violation, and measures to prevent a recurrence, and gave his opinions and recommendations as appropriate.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	 <p>[External] [Reappointment] [Independent]</p> <p>Yutaka Mizukoshi (August 29, 1956)</p> <p>[Tenure] 6 years</p> <p>[BOD attendance] 9/10 (90%)</p>	<p>Sep. 1990 Joined the Boston Consulting Group Jun. 1997 Vice President Jan. 2005 Japan Co-chair Jan. 2016 Senior Partner and Managing Director Jun. 2016 Outside Director of Lifenet Insurance Company External Director of Asagami Corporation (to present) Jan. 2018 Senior Advisor of the Boston Consulting Group Jun. 2018 External Director of the Company (to present) Jun. 2019 Director of Japan Rugby Football Union Jun. 2022 Vice President of Japan Rugby Football Union (to present) Jan. 2023 Senior Partner Emeritus of the Boston Consulting Group (to present)</p> <p>[Significant concurrent positions] External Director of Asagami Corporation</p>	3,000
[Reason for nomination and expected roles as External Director]			
<p>In addition to a high degree of expertise in management analysis and the formulation of management strategy, acquired through many years of experience and insights gained in the consultancy industry, Mr. Yutaka Mizukoshi proactively gives opinions and recommendations from an independent standpoint, based on a high level of insight into economic trends and a well-developed international sensibility.</p>			
<p>As he can be expected to continue to contribute to stronger audit and supervision of the Board of Directors from an outside perspective, the Company requests his re-election as External Director.</p>			
[Special interests between the candidate and the Company]			
There are no special interests between the candidate and the Company.			
[Independence]			
<p>The Company has registered Mr. Mizukoshi as an Independent Director with Tokyo Stock Exchange, Inc., and if he is re-elected, the Company plans to maintain his registration as an Independent Director.</p> <p>Please see Page 25 for the Company's Criteria for Independence of External Directors.</p>			
[Liability Limitation Agreement]			
<p>The Company has entered into a liability limitation agreement with Mr. Mizukoshi pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Mr. Mizukoshi is re-elected, the Company plans to continue this agreement.</p>			
[Other items related to the candidate]			
<p>The former representative director as well as two former employees of ADK Holdings Inc. ("ADK"), of which Mr. Mizukoshi serves as an Outside Director (Member of Audit and Supervisory Committee), were found guilty, with their sentences to be suspended, in July 2023 and May 2023, respectively, in connection with a bribery incident relating to the 2020 Tokyo Olympic and Paralympic Games that took place during the period from November 2019 to January 2022.</p> <p>Mr. Mizukoshi was unaware of these matters until they were discovered, but he has regularly given advice and recommendations about the importance of legal compliance in Board of Directors meetings.</p> <p>Following the discovery, ADK set up an independent investigation committee for the purpose of analyzing the facts related to the case, including governance and internal control, as well as the causes and problems related to the case, and proposing measures to prevent recurrence and improve the situation. As a member of that committee, Mr. Mizukoshi has given his opinions and recommendations as appropriate on initiatives to rebuild the governance and compliance structures.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
	 [External] [Reappointment] [Independent] Toshiro Muto (July 2, 1943) [Tenure] 2 years [BOD attendance] 10/10 (100%)	Apr. 1966 Joined the Ministry of Finance Jul. 1999 Director-General of the Budget Bureau of the Ministry of Finance Jun. 2000 Vice Minister of the Ministry of Finance Jan. 2003 Adviser to the Minister of Finance Mar. 2003 Deputy Governor of the Bank of Japan Jul. 2008 Chairman of Daiwa Institute of Research Ltd. Jun. 2009 Outside Audit & Supervisory Board Member of Sumitomo Metal Corporation (now Nippon Steel Corporation) Jun. 2010 External Director of Mitsui & Co., Ltd. Jan. 2014 Director General/CEO of the Tokyo Organising Committee of the Olympic and Paralympic Games (dissolved in June 2022) Jul. 2018 Honorary Chairman of Daiwa Institute of Research Ltd. (to present) Jun. 2022 External Director of the Company (to present) [Significant concurrent positions] Honorary Chairman of Daiwa Institute of Research Ltd.	300
10	[Reason for nomination and expected roles as External Director] Although Mr. Toshiro Muto has not participated in management of companies other than as an external director and an external audit & supervisory board member, he possesses a high degree of insight into finance, the economy in general, and corporate governance, cultivated at the Ministry of Finance, the Bank of Japan, and business corporations. As such, he gives objective recommendations and advice on management overall from broad perspectives. As he can be expected to continue to contribute to stronger audit and supervision of the Board of Directors from an independent standpoint, the Company requests his re-election as External Director.		
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			
[Independence] The Company has registered Mr. Muto as an Independent Director with Tokyo Stock Exchange, Inc., and if he is re-elected, the Company plans to maintain his registration as an Independent Director. Please see Page 25 for the Company's Criteria for Independence of External Directors.			
[Liability Limitation Agreement] The Company has entered into a liability limitation agreement with Mr. Muto pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Mr. Muto is re-elected, the Company plans to continue this agreement.			
[Other items related to the candidate] Mr. Muto served as Director General/CEO of the Tokyo Organising Committee of Olympic and Paralympic Games until June 2022. A former executive of the Organising Committee was prosecuted four times by the Tokyo District Public Prosecutors Office between August and November 2022 on suspicion of accepting bribes for contracts related to the 2020 Tokyo Olympic and Paralympic Games. A former employee of the Committee was also found guilty, with their sentence to be suspended, in December 2023 for violations of the Antimonopoly Act in connection with bidding for operational services for the Games. However, these matters were unknown while Mr. Muto was serving as Director General/CEO. During his term of office, Mr. Muto fulfilled his duties, including calling for attention from the perspective of obeying laws and regulations and being thorough regarding compliance issues.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
11	 <p>[External] [Reappointment] [Independent]</p> <p>Yumi Hirose (November 7, 1960)</p> <p>[Tenure] 2 years</p> <p>[BOD attendance] 10/10 (100%)</p>	<p>Apr. 1979 Joined Tokyo Regional Taxation Bureau Jul. 2012 Internal Inspector of National Tax Agency Commissioner’s Secretariat Jul. 2015 District Director of Yukigaya Tax Office Jul. 2016 Director of Personnel Division 2, General Affairs Department, Tokyo Regional Taxation Bureau Jul. 2017 Director of General Affairs Division, National Tax College Jul. 2018 Research Coordination Director of Research Division 3, Tokyo Regional Taxation Bureau Jul. 2019 Deputy Director of Research Division 2 Jul. 2020 District Director of Shiba Tax Office Aug. 2021 Certified Public Tax Accountant of Hirose Tax Accountant Office (to present) Dec. 2021 Goodwill Ambassador for Mikurajima Village, Tokyo (to present) Jun. 2022 External Director of the Company (to present) External Director (Audit and Supervisory Committee Member) of TOREX SEMICONDUCTOR LTD. (to present)</p> <p>[Significant concurrent positions] Certified Public Tax Accountant of Hirose Tax Accountant Office External Director (Audit and Supervisory Committee Member) of TOREX SEMICONDUCTOR LTD.</p>	1,000
<p>[Reason for nomination and expected roles as External Director] Although Ms. Yumi Hirose has not participated in management of companies other than as an external director, she has expert knowledge and a wealth of experience obtained as a certified public tax accountant and her many years working in tax administration, as well as a considerable degree of insight into finance and accounting. She also possesses advanced knowledge of health and productivity management. Based on these assets, she proactively gives opinions and recommendations from an outside perspective.</p> <p>As she can be expected to continue to contribute to stronger audit and supervision of the Board of Directors and deeper human resources strategies based on the aforementioned experience and insights, the Company requests her re-election as External Director.</p>			
<p>[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.</p>			
<p>[Independence] The Company has registered Ms. Hirose as an Independent Director with Tokyo Stock Exchange, Inc. and if she is re-elected, the Company plans to maintain her registration as an Independent Director. Please see Page 25 for the Company’s Criteria for Independence of External Directors.</p>			
<p>[Liability Limitation Agreement] The Company has entered into a liability limitation agreement with Ms. Hirose pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Ms. Hirose is re-elected, the Company plans to continue this agreement.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
	 [External] [New appointment] [Independent] Main Kohda (April 25, 1951)	Sep. 1995 Started as an independent Novelist, to the present Jan. 2003 Member of Financial System Council, Ministry of Finance Japan Apr. 2004 Visiting Professor, Faculty of Economics, Shiga University Mar. 2005 Member of the Council for Transport Policy, Ministry of Land, Infrastructure, Transport and Tourism Nov. 2006 Member of Government Tax Commission Jun. 2010 Member of the Board of Governors, Japan Broadcasting Corporation Jun. 2012 Outside Director, Japan Tobacco Inc. Jun. 2013 Outside Director, LIXIL Group Corporation Jun. 2016 Outside Director, Japan Exchange Group (to present) Jun. 2018 Outside Director, MITSUBISHI MOTORS CORPORATION (to present) [Significant concurrent positions] Novelist Outside Director, MITSUBISHI MOTORS CORPORATION	-
12	[Reason for nomination and expected roles as External Director] Although Ms. Main Kohda has not participated in management of companies other than as an external director, she has great knowledge of international finance, as well as a deep familiarity with the business world due to her extensive experience serving as a member of government councils and as external director at listed companies. As she can be expected to contribute to stronger audit and supervision of the Board of Directors based on her extensive knowledge and experience, as well as the deep insight and objective perspective she demonstrates through her work as a novelist, the Company requests her election as External Director.		
	[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.		
	[Independence] The Company has registered Ms. Kohda as an Independent Director with Tokyo Stock Exchange, Inc. and if she is elected, she will become a new Independent Director. Please see Page 25 for the Company's Criteria for Independence of External Directors.		
	[Liability Limitation Agreement] If the election of Ms. Kohda is approved, the Company plans to enter into a liability limitation agreement with her pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations.		
	[Other items related to the candidate] In October 2020, a failure occurred in the arrowhead cash equity trading system of Tokyo Stock Exchange, Inc. ("TSE"), a subsidiary of Japan Exchange Group ("JPX"), of which Ms. Kohda serves as Outside Director, and as a result, all trading at TSE was suspended for an entire day. As a result, it was recognized that there were deficiencies in the settings for the automatic switching function of the faulty equipment, and that the TSE's rules regarding the resumption of trading were insufficient. In November 2020, TSE received a business improvement order from the Financial Services Agency. Even before the incident occurred, Ms. Kohda had been making appropriate recommendations at JPX Board of Directors meetings regarding stable and reliable market management. After the incident, in response to the opinions and findings of JPX and TSE concerning the facts on the day of the failure and the causes of the failure, Ms. Kohda, as a member of the "Investigation Committee of Independent Outside Directors in Relation to the System Failure" established by JPX, evaluated and made recommendations regarding the causes of the failure, the appropriateness of JPX and TSE's pre- and post-incident responses, and measures to prevent recurrence. Additionally, Ms. Kohda fulfilled her responsibilities by reporting to the JPX Board of Directors on the status and results of the committee's investigations.		

Proposal 3: Election of Three (3) Directors Who Are Members of the Audit and Supervisory Committee

The terms of office of all three (3) current Directors who are members of the Audit and Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes to elect three (3) Directors who are members of the Audit and Supervisory Committee.

In the selection of the candidates for Directors who are members of the Audit and Supervisory Committee, to enhance transparency and objectivity, the Company consulted the Nomination and Remuneration Committee (chaired by an External Director, with External Directors comprising the majority of its members), and the Board of Directors decided on the candidates after deliberation and recommendations by the Committee.


The Audit and Supervisory Committee has given its approval of this proposal.

The candidates for Directors who are members of the Audit and Supervisory Committee are as follows.


No.	Name	Current positions and responsibilities at the Company	Years serving as Director (Tenure)	Attendance at the Board of Directors meetings (BOD attendance)	Attendance at the Audit and Supervisory Committee meetings (ASC attendance)	Number of listed companies concurrently served
1	Kazushi Hirao [Internal] [Reappointment]	Director (Full-time member of the Audit and Supervisory Committee)	8	10/10 100%	10/10 100%	—
2	Mutsuhiko Koro [External] [New appointment] [Independent]	—	—	—	—	—
3	Wataru Kotani [External] [New appointment] [Independent]	Director	3	10/10 100%	—	—


Notes 1. “Years serving as Director (Tenure)” are as of the conclusion of this General Meeting of Shareholders.

2. Mr. Wataru Kotani’s tenure as an External Director of the Company is 3 years.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 <p>[Internal] [Reappointment]</p> <p>Kazushi Hirao (September 25, 1951)</p> <p>[Tenure] 8 years</p> <p>[BOD attendance] 10/10 (100%)</p> <p>[ASC attendance] 10/10 (100%)</p>	<p>Jun. 1988 Joined the Company Apr. 1997 General Manager of Overseas Business Department Jul. 1999 Corporate Officer, General Manager of Overseas Business Department Oct. 2002 General Manager of General Affairs Department Apr. 2004 Senior Manager of Investor Relations Section Jun. 2004 Corporate Auditor (full-time) Jun. 2016 Director (Full-time member of the Audit and Supervisory Committee) (to present)</p>	21,400
<p>[Reason for nomination and expected roles as Director who is a Member of the Audit and Supervisory Committee] Mr. Kazushi Hirao has acquired an international perspective through his long experience working at overseas subsidiaries, and audits the Company and its domestic and overseas subsidiaries from a global perspective using his considerable knowledge of finance and accounting. As he can be expected to continue to contribute to stronger audit and supervision of the Board of Directors using the specialized knowledge and experience he has cultivated as a Corporate Auditor and Director who is a member of the Audit and Supervisory Committee, the Company requests his re-election.</p>			
<p>[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.</p>			
<p>[Liability Limitation Agreement] The Company has entered into a liability limitation agreement with Mr. Hirao pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Mr. Hirao is re-elected, the Company plans to continue this agreement.</p>			

(Note) A stock slip took place as at April 1, 2024. Number of share of the Company held at each candidate was as at March 31, 2024.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 <p data-bbox="177 568 418 672">[External] [New appointment] [Independent]</p> <p data-bbox="177 696 418 763">Mutsuhiko Koro (February 12, 1965)</p>	<p data-bbox="453 277 576 306">Apr. 1989</p> <p data-bbox="453 306 576 336">Jul. 1996</p> <p data-bbox="453 336 576 365">Jul. 2013</p> <p data-bbox="453 405 576 434">Jul. 2015</p> <p data-bbox="453 474 576 504">Jul. 2016</p> <p data-bbox="453 566 576 595">Jul. 2017</p> <p data-bbox="453 636 576 665">Jul. 2018</p> <p data-bbox="453 705 576 734">Jul. 2019</p> <p data-bbox="453 775 576 804">Jul. 2020</p> <p data-bbox="453 844 576 873">Oct. 2020</p> <p data-bbox="453 913 576 943">Jul. 2021</p> <p data-bbox="453 983 576 1012">Jul. 2022</p> <p data-bbox="453 1012 576 1041">Jul. 2023</p> <p data-bbox="608 277 1283 1041"> Joined National Tax Agency District Director of Niitsu Tax Office Director of Criminal Investigation Department, Osaka Regional Taxation Bureau Director of Second Taxation Department, Tokyo Regional Taxation Bureau Director of Office of Information Technology, Planning Division, National Tax Agency Commissioner's Secretariat Director of General Affairs Department, Fukuoka Regional Taxation Bureau Director of National Tax Agency Commissioner's Secretariat Director of General Affairs Department, Osaka Regional Taxation Bureau Director of Collection Division, Revenue Management and Collection Department, National Tax Agency Director of Individual Taxation Division, Taxation Department Director of Taxation Management Division, Taxation Department Regional Commissioner of Sapporo National Tax Bureau Director of Revenue Management and Collection Department, National Tax Agency </p>	-
[Reason for nomination and expected roles as External Director who is a Member of the Audit and Supervisory Committee]			
Although Mr. Mutsuhiko Koro has never participated in the management of companies, he possesses specialized knowledge and extensive experience in tax administration, as well as considerable knowledge of finance and accounting. As he can be expected to contribute to stronger audit and supervision of the Board of Directors from an independent and objective standpoint based on this high level of insight, the Company requests his election as External Director who is a member of the Audit and Supervisory Committee.			
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			
[Independence] The Company has registered Mr. Koro as an Independent Director with Tokyo Stock Exchange, Inc., and if he is elected, he will become a new Independent Director. Please see Page 25 for the Company's Criteria for Independence of External Directors.			
[Liability Limitation Agreement] If the election of Mr. Koro is approved, the Company plans to enter into a liability limitation agreement with him pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
	 <p>[External] [New appointment] [Independent]</p> <p>Wataru Kotani (April 7, 1957)</p> <p>[Tenure] 3 years</p> <p>[BOD attendance] 10/10 (100%)</p>	<p>Apr. 1980 Joined the National Police Agency Aug. 2002 Chief of Ehime Prefectural Police Headquarters Apr. 2004 Chief of the Cybercrime Division, Community Safety Bureau, National Police Agency Jul. 2008 Chief of Nagano Prefectural Police Headquarters Aug. 2010 Chief of the Organized Crime Department, Criminal Affairs Bureau, National Police Agency Jan. 2013 Deputy Superintendent General and Acting Chief of the Crime Prevention Task Force, Tokyo Metropolitan Police Department Jan. 2014 President of the National Police Academy Nov. 2014 Special Advisor of Japan Post Bank Co., Ltd. Jun. 2021 Director of Japan Center for Examination Research (to present) External Director of the Company (to present)</p>	400
3	<p>[Reason for nomination and expected roles as External Director who is a Member of the Audit and Supervisory Committee]</p> <p>Although Mr. Wataru Kotani has not participated in management of companies other than as an external director, he has engaged in police administration for many years and is deeply familiar with the fields of cybersecurity and information security. In addition, as an External Director, he provides suggestions and advice to the Company's management from a neutral and objective perspective, based on his broad range of expertise and abundant experience in overall law.</p> <p>As he can be expected to continue to contribute to stronger audit and supervision of the Board of Directors from the perspectives of risk management and ensuring legal compliance, the Company requests his election as External Director who is a member of the Audit and Supervisory Committee.</p> <p>Mr. Kotani's tenure, from the time he was appointed as External Director of the Company to the conclusion of this General Meeting of Shareholders, is three years.</p> <p>[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.</p> <p>[Independence] The Company has registered Mr. Kotani as an Independent Director with Tokyo Stock Exchange, Inc., and if he is elected, the Company plans to maintain his registration as an Independent Director. Please see Page 25 for the Company's Criteria for Independence of External Directors.</p> <p>[Liability Limitation Agreement] The Company has entered into a liability limitation agreement with Mr. Kotani pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Mr. Kotani is elected, the Company plans to continue this agreement.</p>		

[Reference] Skill Matrix of Board Members at the Conclusion of this Ordinary General Meeting of Shareholders

Strengths of the Company

- Strong financial foundation to realize proactive strategic investment resulting from the stable generation of cash flow and enhancement of capital efficiency
- Creation and multifaceted use of globally supported contents (IP) resulting from the Company's advanced proprietary technologies and development capabilities
- Long-term global distribution structure utilizing digital strategies toward further earnings growth

Board of Directors of the Company

- Comprises members who have *diverse perspectives, abundant experience, and diverse, specialized and advanced skills* to realize sustainable growth by making the most of the Company's strengths
- Governance system that enables the demonstration of audit and supervisory functions through the proactive participation of External Directors

* The Company has been pursuing diversity by selecting candidates based on their personal character, knowledge, and insights, regardless of gender, nationality, age, and other attributes.

Name	Position	Gender	Independence (External Director)	Composition of Board of Directors/Committee (◎: Chair)			
				Board of Directors	Audit and Supervisory Committee	Nomination and Remuneration Committee	Compliance Committee
Kenzo Tsujimoto	Chairman and Representative Director, CEO	Male		◎	—	—	—
Haruhiro Tsujimoto	President and Representative Director, COO	Male		●	—	—	●
Satoshi Miyazaki	Representative Director, Executive Vice President, CHO	Male		●	—	●	●
Kenkichi Nomura	Director, Executive Vice President, CFO	Male		●	—	●	●
Yoichi Egawa	Director, Executive Corporate Officer, CPO	Male		●	—	—	●
Yoshinori Ishida	Director, Executive Corporate Officer	Male		●	—	—	●
Ryozo Tsujimoto	Director, Executive Corporate Officer	Male		●	—	—	●
Toru Muranaka	External Director	Male	●	●	—	—	◎
Yutaka Mizukoshi	External Director	Male	●	●	—	◎	●
Toshiro Muto	External Director	Male	●	●	—	—	●
Yumi Hirose	External Director	Female	●	●	—	—	●
Main Kohda	External Director	Female	●	●	—	●	●
Kazushi Hirao	Director (Full-time Audit and Supervisory Committee member)	Male		●	●	●	●
Mutsuhiko Koro	External Director (Full-time Audit and Supervisory Committee member)	Male	●	●	●	●	●
Wataru Kotani	External Director (Audit and Supervisory Committee member)	Male	●	●	◎	●	●

* If Proposals 2 and 3 are approved as proposed, there will be 15 Directors consisting of eight (8) internal Directors and seven (7) External Directors. All seven (7) External Directors are scheduled to be registered as Independent Directors.

Requirements in Fields of Particular Expectation

Company management	Experience as representative director of a listed company or equivalent, or experience supervising company management as an external director or external audit & supervisory board member of another company is required to enable the formulation of effective management strategies aimed at medium- to long-term growth.
Management strategy	Directors who are able to set strategies based on management experience in marketing and sales are required, to enable the Company to build a management structure with rapid decision-making and stronger supervision/monitoring of accompanying risks, with a view to the expansion of the core business.
Gaming industry	Directors with management experience and achievements in these fields at a listed company or equivalent are required, to identify greatly changing industry trends and implement effective strategies in a timely and appropriate manner.
Digital transformation/ IT/Technology	
R&D	
Finance/Accounting/Tax	Directors with practical experience and knowledge of each field of expertise are required so that the Board of Directors may function effectively in the supervision of important management decisions of the Company and its execution of operations.
Legal	
Global sensibility /International awareness	

Name	Fields of particular expectation to achieve the medium-term growth strategy							
	Company management	Management strategy	Gaming industry	Digital Transformation/ IT/Technology	R&D	Finance/ Accounting/ Tax	Legal	Global sensibility/ International awareness
Kenzo Tsujimoto	●	●	●	●				●
Haruhiro Tsujimoto	●	●	●	●	●			●
Satoshi Miyazaki	●	●	●	●		●		●
Kenkichi Nomura		●	●	●		●	●	●
Yoichi Egawa			●	●	●			●
Yoshinori Ishida		●	●	●				●
Ryozo Tsujimoto			●	●	●			●
Toru Muranaka	●						●	●
Yutaka Mizukoshi	●	●						●
Toshiro Muto	●					●		●
Yumi Hirose	●					●		
Main Kohda	●					●		●
Kazushi Hirao		●	●			●		●
Mutsuhiko Koro						●		
Wataru Kotani				●			●	

* The table above is not an exhaustive list of all the knowledge of the candidates.

Criteria for Independence of External Directors

The Company has established criteria for judging the independence of External Directors, and judges External Directors who do not fall under any of the following items to be independent.

- (i) An executive of the Company and its consolidated subsidiaries (the “Group”; the same shall apply hereinafter) at present or in the past ten (10) years;
- (ii) A counterparty for which the Group is a major business client (mainly corporations that have transactions with the Group accounting for 1% or more of the consolidated net sales or total transaction value of either party) or an executive thereof;
- (iii) A major business client of the Group (mainly corporations that have transactions with the Group accounting for 1% or more of the consolidated net sales or total transaction value of either party) or an executive thereof;
- (iv) A major shareholder of the Company (holding 10% or more of total voting rights) or an executive thereof, or a corporation of which the Group is a major shareholder;
- (v) An executive of an organization or corporation to which the Group has provided large amounts of donations, loans, or guarantees;
- (vi) An executive of a corporation with which the Group has cross-directorships;
- (vii) An attorney, certified public accountant, consultant, etc. who received ¥10 million or more in cash or other assets per year other than Director’s remuneration (if the recipient belongs to a corporation or association, those that have transactions with the Group accounting for 1% or more of the consolidated net sales or total transaction value of either party; or ¥10 million or more);
- (viii) A person falling under any of (ii) to (vii) above in a fiscal year in the past ten (10) years; and
- (ix) A spouse or relative within the second degree of kinship of the person falling under any of (i) to (viii) above.

Indemnity Agreement

The Company has entered into an indemnity agreement prescribed in Article 430-2, Paragraph 1 of the Companies Act with Mr. Kenzo Tsujimoto, Mr. Haruhiro Tsujimoto, Mr. Satoshi Miyazaki, Mr. Kenkichi Nomura, Mr. Yoichi Egawa, Mr. Yoshinori Ishida, Mr. Ryozo Tsujimoto, Mr. Toru Muranaka, Mr. Yutaka Mizukoshi, Mr. Toshiro Muto, Ms. Yumi Hirose, Mr. Kazushi Hirao, and Mr. Wataru Kotani to indemnify them against expenses and losses provided in Items 1 and 2 of the said Paragraph, respectively, to the extent prescribed by laws and regulations.

However, this is provided that in cases where a Director is found to have executed duties to unlawfully gain benefits, unlawfully benefit a third party or cause damage to the Company, the Director returns any expenses, etc. covered by the Company.

The Company plans to continue these agreements if Mr. Kenzo Tsujimoto, Mr. Haruhiro Tsujimoto, Mr. Satoshi Miyazaki, Mr. Kenkichi Nomura, Mr. Yoichi Egawa, Mr. Yoshinori Ishida, Mr. Ryozo Tsujimoto, Mr. Toru Muranaka, Mr. Yutaka Mizukoshi, Mr. Toshiro Muto, Ms. Yumi Hirose, Mr. Kazushi Hirao, and Mr. Wataru Kotani are re-elected or elected.

In addition, the Company plans to enter into agreements with Ms. Main Kohda and Mr. Mutsuhiko Koro if they are elected.

Directors and Officers Liability Insurance Agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance company as prescribed in Article 430-3, Paragraph 1 of the Companies Act to insure the directors, audit & supervisory board members, corporate officers and other personnel of the Company and its subsidiaries. This agreement covers litigation expenses, compensation for damages and other items associated with claims for damages filed against the insured in their official capacity during the term of the insurance.

However, exemptions apply where damages mainly due to intentional violations of laws and regulations or criminal acts by the insured are not covered.

The Company pays all insurance premiums under this agreement. If the candidates for Director (excluding Directors who are members of the Audit and Supervisory Committee) and Director who is a member of the Audit and Supervisory Committee are re-elected or elected, they will be covered by this insurance agreement.

Proposal 4: Election of One (1) Substitute Director Who Is a Member of the Audit and Supervisory Committee


The effectiveness of the election of Mr. Hitoshi Kanamori, a substitute Director who is a member of the Audit and Supervisory Committee who was elected at the 43rd Ordinary General Meeting of Shareholders held on June 23, 2022, shall expire at the beginning of this General Meeting of Shareholders.

Accordingly, in preparation for a situation where the number of Directors who are members of the Audit and Supervisory Committee falls below the number required by law, the Company proposes to elect one (1) substitute Director who is a member of the Audit and Supervisory Committee.

In the selection of the candidate for substitute Director who is a member of the Audit and Supervisory Committee, to enhance transparency and objectivity, the Company consulted the Nomination and Remuneration Committee (chaired by an External Director, with External Directors comprising the majority of its members), and the Board of Directors decided on the candidate after deliberation and recommendations by the Committee.

The Audit and Supervisory Committee has given its approval of this proposal.

The candidate for substitute Director who is a member of the Audit and Supervisory Committee is as follows.

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
 <p>[Substitute External Director who is a member of the Audit and Supervisory Committee]</p> <p>Hitoshi Kanamori (August 1, 1954)</p>	<p>Apr. 1984 Public Prosecutor, Tokyo District Public Prosecutors Office</p> <p>Apr. 1985 Public Prosecutor, Yamagata District Public Prosecutors Office</p> <p>Apr. 1988 Public Prosecutor, Niigata District Public Prosecutors Office</p> <p>Apr. 1992 Admitted to the bar (Tokyo Bar Association)</p> <p>Feb. 1996 Director of Musashinokai Social Welfare Corporation</p> <p>Apr. 2002 Councilor of Association for International Manpower Development of Medium and Small Enterprises, Japan (now Public Interest Foundation International Manpower Development Organization, Japan)</p> <p>Oct. 2018 Lawyer, Kanamori Law Office (to present)</p> <p>Mar. 2020 Representative Director and President (full-time) of Public Interest Foundation International Manpower Development Organization, Japan (to present)</p> <p>[Significant concurrent positions] Attorney of Kanamori Law Office Representative Director and President of Public Interest Foundation International Manpower Development Organization, Japan</p>	<p>—</p>
<p>[Reason for nomination and expected roles as substitute External Director who is a Member of the Audit and Supervisory Committee]</p> <p>Although Mr. Hitoshi Kanamori has not participated in management of companies other than as an external director or an external audit & supervisory board member, he possesses knowledge and extensive experience as an attorney, and can be expected to contribute to stronger audit and supervision of the Board of Directors through accurate guidance and advice as a legal expert. Accordingly, the Company requests his election as substitute External Director who is a member of the Audit and Supervisory Committee.</p> <p>In addition, if Mr. Kanamori assumes office as External Director who is a member of the Audit and Supervisory Committee, he will be registered as an Independent Director with Tokyo Stock Exchange, Inc.</p>		
<p>[Special interests between the candidate and the Company]</p> <p>There are no special interests between the candidate and the Company.</p>		

<p>[Liability Limitation Agreement]</p> <p>If Mr. Kanamori assumes office as External Director who is a member of the Audit and Supervisory Committee, the Company plans to enter into a liability limitation agreement with him pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations.</p>
<p>[Indemnity Agreement]</p> <p>If Mr. Kanamori assumes office as External Director who is a member of the Audit and Supervisory Committee, the Company plans to enter into an indemnity agreement with him pursuant to Article 430-2, Paragraph 1 of the Companies Act to indemnify him against expenses and losses provided in Items 1 and 2 of the said Paragraph, respectively, to the extent prescribed by laws and regulations.</p> <p>However, this is provided that in cases where Mr. Kanamori is found to have executed duties to unlawfully gain benefits, unlawfully benefit a third party or cause damage to the Company, he returns any expenses, etc. covered by the Company.</p>
<p>[Directors and Officers Liability Insurance Agreement]</p> <p>The Company has entered into a directors and officers liability insurance agreement with an insurance company as prescribed in Article 430-3, Paragraph 1 of the Companies Act to insure the directors, audit & supervisory board members, corporate officers and other personnel of the Company and its subsidiaries. If Mr. Kanamori assumes office as External Director who is a member of the Audit and Supervisory Committee, he will become an insured person under this insurance agreement. This agreement covers litigation expenses, compensation for damages and other items associated with claims for damages filed against the insured in their official capacity during the term of the insurance.</p> <p>However, exemptions apply where damages mainly due to intentional violations of laws and regulations or criminal acts by the insured are not covered.</p>
<p>[Other items related to the candidate]</p> <p>Public Interest Foundation International Manpower Development Organization, Japan (“IM Japan”), of which Mr. Kanamori has served as Representative Director and President since March 2020, was investigated based on information that the corporation had provided special benefits to a specified business operator in past business years, and as a result of the investigation, IM Japan received counsel from the administrative government agency (Prime Minister) in July and October 2021.</p> <p>During the period when IM Japan provided benefits to the specified business operator, Mr. Kanamori was a corporate legal advisor and councilor of the corporation, but he was not involved in the operations of IM Japan and was not aware of any transactions related to the provision of benefits.</p> <p>Moreover, following the discovery, Mr. Kanamori assumed the position of Representative Director and President and immediately implemented improvements such as reforming the business execution system, including establishing a compliance office, enhancing the audit system, establishing regulations, and exercising a system of checks and balances for each director. In addition, he has been striving to operate IM Japan’s business with an emphasis on compliance, in accordance with relevant laws and regulations.</p>

Reference Matters Common to Proposal 5 and Proposal 6

The Company has decided to review the remuneration system for Directors (excluding External Directors and Directors who are Members of the Audit and Supervisory Committee. Hereinafter “Eligible Directors”) with the aim of further strengthening efforts to increase the Company’s corporate value over the medium- to long-term, granting incentives to help the Group achieve stable profit growth, and sharing value with shareholders.

Accordingly, 1) Proposal 5 proposes the revision of the monetary remuneration framework for Directors (excluding Directors who are Members of the Audit and Supervisory Committee), and, regarding the remuneration of Eligible Directors, the establishment of bonuses separate from basic remuneration that are more closely linked to business performance and fluctuate according to the degree of performance growth, etc., and 2) Proposal 6 proposes the introduction of a new performance-linked stock remuneration system for Eligible Directors that uses the degree of achievement of growth targets such as performance as an indicator.

If Proposal 5 and Proposal 6 are approved as originally proposed, remuneration for Eligible Directors will consist of basic remuneration (fixed/monetary), bonuses (variable/monetary), and performance-linked stock remuneration (variable/stock).

Moreover, in reviewing the current remuneration system, the Company consulted the Nomination and Remuneration Committee, which is chaired by an External Director (with External Directors comprising the majority of its members), and based on the deliberations and recommendations of the Committee, the Board of Directors decided at the Board of Directors meeting held on May 15, 2024 to revise the Company’s Guidelines for Determining the Remuneration, etc. of Individual Directors (hereinafter “Determination Guidelines”) based on the condition that Proposal 5 and Proposal 6 are approved as originally proposed at this Ordinary General Meeting of Shareholders. An overview of the revised Determination Guidelines is as stated on page 36.

Proposal 5: Revision of Remuneration for Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee)

1. Details and Reason for the Proposal

Regarding the amount of remuneration for Directors (excluding Directors who are members of the Audit and Supervisory Committee) of the Company, the annual monetary remuneration limit was approved to be within 1.1 billion yen per year (including 70 million yen for External Directors) at the 43rd Ordinary General Meeting of Shareholders held on June 23, 2022.

As stated on page 29, in conjunction with the review of the Company's remuneration system for Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee. Hereinafter "Eligible Directors"), the Company would like to request approval to newly set basic remuneration (fixed remuneration) at 900 million yen or less per year (including 100 million yen or less for External Directors), and separate from this basic remuneration, bonuses as performance-linked remuneration (variable remuneration) at 800 million yen or less per year.

However, the above amount of remuneration does not include the employee salary of Directors who also serve as employees, and remuneration for External Directors (excluding Directors who are members of the Audit and Supervisory Committee) will be limited to basic remuneration based on the content of this proposal.

There are currently 12 Directors (excluding Directors who are members of the Audit and Supervisory Committee) (including 5 External Directors), and if Proposal 2 is approved as proposed, the number of Directors (excluding Directors who are members of the Audit and Supervisory Committee) will be 12 (including 5 External Directors).

2. Reasons for Determining that the Remuneration, etc. is Appropriate

The Board of Directors decided on this proposal after consultation with the Nomination and Remuneration Committee based on the Committee's deliberations and recommendations. The Company has determined that this proposal is appropriate as it is in line with the content of the revised Determination Guidelines (described on page 36).

Moreover, as a result of deliberations, the Company has received an opinion from the Audit and Supervisory Committee that this proposal is appropriate.

3. Overview of Remuneration based on the Revised System

(1) Basic remuneration

Basic remuneration (fixed remuneration) is a fixed amount of money determined by the Company's Board of Directors that is granted to each Director in order to encourage steady performance of duties commensurate with positions, responsibilities, etc.

(2) Bonuses

Bonuses paid as performance-linked remuneration (variable remuneration) are a performance-linked remuneration granted to Eligible Directors in an amount calculated according to the calculation method described in 4. below, in order to increase awareness of performance linkage and improvement of the Company's performance in each fiscal year.

4. Calculation Method for Bonuses

Bonuses use consolidated operating income as a performance evaluation indicator that corresponds to the growth rate of the Group's business performance, etc.

Specifically, bonuses will be paid in an amount calculated using the formula below, which links the rate of change in consolidated operating income during the period from April 1 of each year to March 31 of the following year (hereinafter the “Evaluation Period.” The initial Evaluation Period will be the one fiscal year from April 1, 2024 to March 31, 2025).

Accordingly, bonuses are the payment of money based on the degree of growth in business performance, etc., and at the time of introduction of the revised system, whether or not the money will be paid to each Eligible Director, as well as the amount to be paid, have not yet been determined.

[Calculation formula]

$$\text{Total amount of bonuses} = \text{Total monetary remuneration for the previous fiscal year} \times \left(1 + \text{Rate of change in consolidated operating income for the Evaluation Period compared to the previous fiscal year} \right) - \text{Total amount of basic remuneration for the Evaluation Period}$$

Regarding the amount of bonuses to be paid to each individual Eligible Director, the total amount of bonuses calculated using the above calculation formula will be distributed in proportion to the positions, responsibilities, etc. of each Eligible Director as determined in advance by the Company’s Board of Directors for each fiscal year.

In addition, while ensuring continuity with the previous system for bonuses to be paid to Eligible Directors for the fiscal year ended March 31, 2024, the above revised calculation formula will be read and applied as follows (even in this case, the maximum amount of remuneration for Directors (excluding Directors who are members of the Audit and Supervisory Committee) will be within 1.1 billion yen per year, in accordance with the previous system).

Total monetary remuneration for the previous fiscal year	Total monetary remuneration of Eligible Directors for the one-year period from the conclusion of the 43rd Ordinary General Meeting of Shareholders held on June 23, 2022 to the conclusion of the 44th Ordinary General Meeting of Shareholders held on June 20, 2023
Total amount of basic remuneration for the Evaluation Period	Total annual basic remuneration determined by the Company’s Board of Directors based on the positions, responsibilities, etc. of the Eligible Directors at the conclusion of the 44th Ordinary General Meeting of Shareholders held on June 20, 2023

5. Loss of Right to Receive Bonuses and Clawbacks

Eligible Directors will lose the right to receive bonuses if they engage in specific misconduct as determined by the Company’s Board of Directors, or resign from office due to specific reasons determined by the Company’s Board of Directors.

In addition, as determined by the Company’s Board of Directors based on the results of deliberation and recommendations by the Nomination and Remuneration Committee, in the event that financial statements are adjusted due to serious misconduct, fraud, or a serious accounting error, Eligible Directors may be asked to return all or part of the bonuses received during the relevant fiscal year, as well as the ones received during the previous three fiscal years.

6. Future Revisions to the System

The performance evaluation indicators and calculation method may be changed as appropriate by resolution of the Board of Directors in response to changes in the business environment or revision of management targets.

Proposal 6: Introduction of a Performance-linked Stock Remuneration System for Directors (Excluding External Directors and Directors Who Are Members of the Audit and Supervisory Committee)

1. Details and Reason for the Proposal

As stated on page 29 and in Proposal 5, in conjunction with the review of the Company's remuneration system for Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee. Hereinafter "Eligible Directors"), the Company would like to request approval for the introduction of a new performance-linked stock remuneration system (hereinafter the "System") for Eligible Directors, in which common shares of the Company (hereinafter "Company shares") will be distributed according to the degree of achievement of growth targets, such as business performance.

This proposal requests that performance-linked stock remuneration be paid to Eligible Directors based on the System, separate from the basic remuneration limit (900 million yen or less per year) for Directors (excluding Directors who are members of the Audit and Supervisory Committee) and the bonus limit (800 million yen or less per year) for Eligible Directors requested in this Ordinary General Meeting of Shareholders' Proposal 5.

There are currently 12 Directors (excluding Directors who are members of the Audit and Supervisory Committee) (including 5 External Directors), and if Proposal 2 is approved as proposed, the number of Directors (excluding Directors who are members of the Audit and Supervisory Committee) will be 12 (including 5 External Directors).

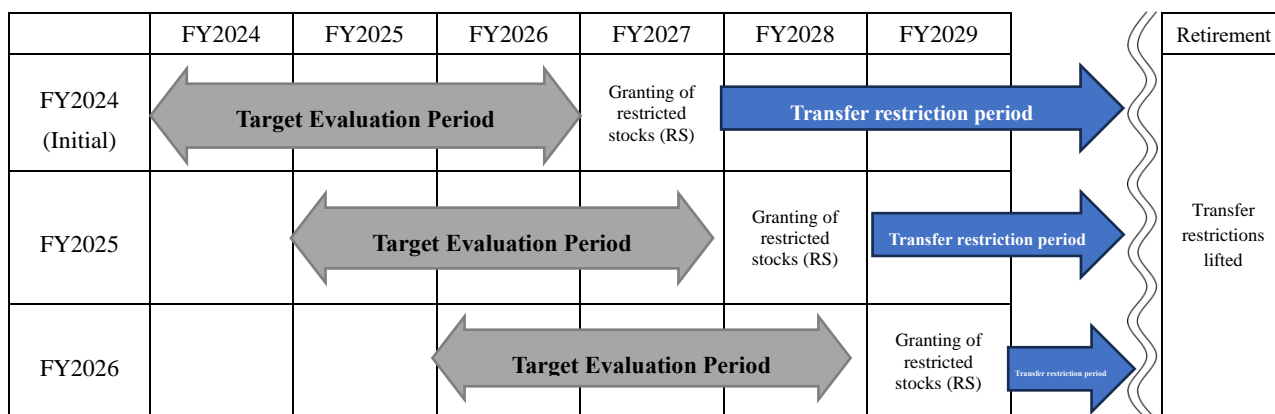
2. Reasons for Determining that the Remuneration, etc. is Appropriate

The Board of Directors decided on this proposal after consultation with the Nomination and Remuneration Committee based on the Committee's deliberations and recommendations. The Company has determined that this proposal is appropriate as it is in line with the content of the revised Determination Guidelines (described on page 36).

Moreover, as a result of deliberations, the Company has received an opinion from the Audit and Supervisory Committee that this proposal is appropriate

3. Overview of the System

Performance-linked stock remuneration (variable remuneration) is a performance-linked stock remuneration in which the number of Company shares calculated as shown in (4) below is delivered to Eligible Directors, depending on the degree of achievement of the targets during a period of three consecutive fiscal years from April 1 of each year to March 31 three years later (hereinafter the "Target Evaluation Period"), at the end of the Target Evaluation Period, in order to promote the sharing of values from the same perspective as shareholders and provide further incentives to sustainably improve the Company's medium- to long-term performance and corporate value. An outline is shown in the figure below.



(Note) The initial target year for payment is FY2024, and the Target Evaluation Period is the three business years from April 1, 2024 to March 31, 2027. From FY2025 onwards, within the scope approved at this Ordinary General Meeting of Shareholders, the Company plans to implement a performance-linked stock remuneration system in which each fiscal year is a target year for payment, and the three consecutive fiscal years thereafter are the new Target Evaluation Period.

Accordingly, performance-linked stock remuneration is the delivery of Company shares according to the degree of achievement of growth targets such as performance, etc., and at the time of introduction of the System, whether or not the shares will be delivered to each Eligible Director, as well as the amount to be delivered, have not yet been determined.

(1) Contents of Restricted Stock Allocation Agreement

When issuing or disposing of Company shares as performance-linked stock remuneration under the System, the Company and the Eligible Directors (limited to Eligible Directors who are Directors of the Company or serve in other positions determined by the Company's Board of Directors on the date of the resolution of the Company's Board of Directors) will enter into a restricted stock allocation agreement (hereinafter the "Allocation Agreement"). The contents of the agreement include the following.

- 1) Eligible Directors may not transfer, create security interests in, or otherwise dispose of (hereinafter the "transfer restrictions") Company shares allocated under the Allocation Agreement (hereinafter the "Allocated Shares") during the period from the date of issuance of Allocated Shares until the date on which the Eligible Directors lose their position as Director of the Company or other positions determined by the Board of Directors of the Company.
- 2) In the event that the Company's Board of Directors determines that it is appropriate for the Company to acquire the Allocated Shares free of charge due to a violation of laws and regulations, internal rules, or the allocation agreement by an Eligible Director, or for other reasons, the Company shall acquire the Allocated Shares free of charge.

Additionally, during the Target Evaluation Period, if an Eligible Director retires from the position of Director of the Company or other position determined by the Board of Directors of the Company due to death or other reasons deemed justifiable by the Board of Directors of the Company, if a proposal regarding a merger agreement in which the Company becomes a merged company, a stock exchange agreement in which the Company becomes a wholly-owned subsidiary, a stock transfer plan, or other organizational restructuring is approved by the Company's General Meeting of Shareholders (however, in cases where the reorganization, etc. does not require approval by the Company's General Meeting of Shareholders, then by the Company's Board of Directors), or if there are any other reasons deemed justifiable by the Board of Directors, a reasonably adjusted number of shares and amount of money will be delivered at a time

reasonably determined by the Board of Directors of the Company, if necessary. Alternatively, in lieu of such a delivery, the Company may pay an amount of money reasonably calculated by the Company's Board of Directors as an amount equivalent to the shares, etc.

(2) Allocation Method of Restricted Stock, etc.

As performance-linked stock remuneration, the Company will issue Company shares with transfer restrictions (hereinafter "restricted stock (RS)") based on performance indicators and the degree of growth in corporate value and shareholder value during the Target Evaluation Period.

Restricted stock (RS) will be delivered by method (i) or (ii) below.

- (i) The Company will allocate Company shares to Eligible Directors free of charge as consideration for the Directors' execution of duties, without requiring any payment of money, etc. in exchange for the offered shares.
- (ii) The Company will pay monetary remuneration claims in an amount calculated by multiplying the number of shares to be allocated to relevant Eligible Directors by the amount to be paid in for Company shares to be allocated, and in exchange for the in-kind contribution of such monetary remuneration claims by each Eligible Director, allocate the Company's common shares to each Eligible Director.

Regarding the amount of remuneration for Eligible Directors when using method (i) above, and when using method (ii) above, the amount to be paid in for Company shares to be allocated to Eligible Directors will be determined by the Company's Board of Directors based on the closing price of ordinary trading of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the day of the resolution of the Board of Directors regarding the determination of such allocation (if no trading is concluded on said day, the closing price on the most recent trading day preceding it), within a range that it is not particularly advantageous to the Eligible Directors.

(3) Upper Limit on Performance-linked Stock Remuneration

The total amount of restricted stock (RS) to be delivered or monetary remuneration claims to be paid to Eligible Directors for delivery (limited to the method described in (ii) above) will be within 800 million yen per year.

In addition, the total number of Company shares to be delivered will be within 2 million shares per year, and the ratio of the number of said shares to the total number of issued shares (the total number of issued shares as of the end of April 2024 minus treasury shares, including Company shares held by the "Stock-granting ESOP Trust Account") is 0.48%. However, if, after the date of this proposal's approval, a stock split of Company shares (including the gratis allotment of Company shares) or a reverse stock split occurs, or if any other reason arises that necessitates an adjustment to the total number of Company shares to be issued or disposed of, the total amount will be adjusted within a reasonable range.

(4) Calculation Method for Performance-linked Stock Remuneration

The number of restricted stocks (RS) to be delivered to each Eligible Director will be calculated according to the following formula.

[Calculation formula]

$$\boxed{\text{Number of restricted stocks (RS) to be delivered to each Director}} = \boxed{\text{Standard number of shares (1)}} \times \boxed{\text{Degree of achievement of growth targets such as business performance (2)}}$$

- (1) “Standard number of shares” is determined by the Company’s Board of Directors according to the positions, responsibilities, etc. of the Eligible Directors.
- (2) “Degree of achievement of growth targets such as business performance” ranges from 0% to 150%, depending on the achievement rate of the evaluation indicators determined by the Company’s Board of Directors during the Target Evaluation Period

(5) Loss of Right to Receive Performance-linked Stock Remuneration and Clawbacks

Eligible Directors will lose the right to receive performance-linked stock remuneration if they engage in specific misconduct as determined by the Company’s Board of Directors, or resign from office due to specific reasons determined by the Company’s Board of Directors.

In addition, as determined by the Board of Directors based on the results of deliberation and recommendations by the Nomination and Remuneration Committee, in the event that financial statements are adjusted due to serious misconduct, fraud, or a serious accounting error, Eligible Directors may be asked to return all or part of the performance-linked stock remuneration received during the relevant fiscal year, as well as the one received during the previous three fiscal years.

(6) Future Revisions to the System

The performance evaluation indicators, calculation method, and other details of the System, etc. may be changed as appropriate by resolution of the Board of Directors in response to changes in the business environment or revision of management targets.

[Reference]

Guidelines for Determining the Remuneration, etc. of Individual Directors (If Proposals 5 and 6 are approved)

The Company has established Guidelines for Determining the Remuneration, etc. of Individual Directors (hereinafter “Determination Guidelines”), and the overview is as follows for your immediate reference.

1. Determination Guidelines for Remuneration, etc. of Directors (excluding Directors who are members of the Audit and Supervisory Committee)

In order to ensure objectivity and transparency regarding remuneration for Directors (excluding Directors who are members of the Audit and Supervisory Committee), the Board of Directors consults the Nomination and Remuneration Committee, which is chaired by an External Director (with External Directors comprising the majority of its members), and determines remuneration within the remuneration limit resolved at the General Meeting of Shareholders based on the deliberation and recommendations of the Committee regarding the following guidelines.

- (1) Remuneration, etc. for Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee. Hereinafter “Eligible Directors”) is composed of basic remuneration (fixed remuneration) to encourage steady performance of duties commensurate with positions, responsibilities, etc., as well as performance-linked remuneration (variable remuneration) which consists of short-term incentives such as bonuses and medium- to long-term incentives such as stock remuneration, as a remuneration system and composition that is highly linked to business performance and focuses on increasing corporate value and shareholder value over the medium- to long-term.
 - (2) In view of their role of supervising the management of the Company from an objective and independent standpoint, remuneration for External Directors (excluding Directors who are members of the Audit and Supervisory Committee) is not linked to business performance, and consists only of basic remuneration (fixed remuneration).
- #### 2. Determination Guidelines for Remuneration, etc. of Directors who are members of the Audit and Supervisory Committee

In order to ensure independence, individual remuneration, etc. for Directors who are members of the Audit and Supervisory Committee is not linked to business performance, and consists only of basic remuneration (fixed remuneration). The amount is determined within the total amount approved at the General Meeting of Shareholders through consultation among Directors who are members of the Audit and Supervisory Committee, taking into account full-time and part-time positions.

Remuneration system for Eligible Directors

Type of remuneration			Overview
Fixed remuneration	Monetary	Basic remuneration	<ul style="list-style-type: none"> A fixed amount of remuneration based on positions, responsibilities, etc. is paid proportionately each month
Performance-linked remuneration (variable remuneration)	Short-term	Monetary	<ul style="list-style-type: none"> Short-term incentives to raise awareness of improving company performance by steadily achieving the Group's management goal of 10% increased operating income per fiscal year The amount calculated by linking the rate of change in consolidated operating income from the previous fiscal year to the rate of change in the total monetary remuneration (basic remuneration and bonuses) of Eligible Directors, minus the basic remuneration amount, is paid In principle, paid at a fixed time every year
	Medium-to long-term	Stock	<ul style="list-style-type: none"> Medium- to long-term incentives to sustainably improve company performance and corporate value, and share an awareness of profit with shareholders Evaluation indicators are (i) the degree of achievement of the Company's net income attributable to owners of the parent growth target and (ii) the Company's stock price growth rate [total shareholder return (TSR) ÷ Tokyo Stock Price Index (TOPIX) growth rate] during the Target Evaluation Period (3 years) After the Target Evaluation Period has passed, depending on the degree of achievement of the above evaluation indicators, common shares of the Company with a transfer restriction period until retirement from the position of Director or other position determined by the Company's Board of Directors (hereinafter "restricted stock") are allocated

(Notes) 1. TSR: Abbreviation for Total Shareholder Return. Total investment return for shareholders, including capital gains and dividends. Hereinafter referred to as "TSR."

2. Performance-linked remuneration (variable remuneration) will not be paid or will be returned in the following cases.

- The right to receive remuneration will be lost if the relevant parties engage in specific misconduct as determined by the Company's Board of Directors, or resign from office due to specific reasons determined by the Company's Board of Directors.
- As determined by the Company's Board of Directors based on the results of deliberation and recommendations by the Nomination and Remuneration Committee, relevant parties may be asked to return all, or part of the remuneration received if financial statements were adjusted due to serious misconduct, fraud, or a serious accounting error

Calculation Method for Performance-linked Remuneration (Variable Remuneration) (as of the Introduction of the Revised Remuneration System)

(1) Bonuses

[Calculation formula]

$$\text{Total amount of bonuses} = \text{Total monetary remuneration for the previous fiscal year} \times \left(1 + \text{Rate of change in consolidated operating income for the Evaluation Period from the previous fiscal year} \right) - \text{Total amount of basic remuneration for the Evaluation Period}$$

(Note) The Evaluation Period is one fiscal year from April 1 of each year to March 31 of the following year.

(2) Performance-linked stock remuneration

[Calculation formula]

$$\text{Number of restricted stocks (RS) to be delivered to each Director} = \text{Standard number of shares (1)} \times \text{Degree of achievement of growth targets such as business performance (2)}$$

- 1) “Standard number of shares” will, in principle, be the number of shares calculated using the following formula at the first resolution of the Board of Directors held after the conclusion of this General Meeting of Shareholders.

$$\text{Standard number of shares (1)} = \text{Standard amount (a)} \times \text{Coefficient based on the positions, responsibilities, etc. of the Eligible Directors (b)} \div \text{Base stock price (c)}$$

- (a) “Standard amount” is 50% of the total basic remuneration of Eligible Directors.
 (b) “Coefficient based on the positions, responsibilities, etc. of the Eligible Directors” is determined by the Company’s Board of Directors according to the positions, responsibilities, etc. of the Eligible Directors.
 (c) “Base stock price” is the average closing price of Company shares on the Tokyo Stock Exchange for the month preceding the start of the Target Evaluation Period (Note).

(Note) The Target Evaluation Period will be three consecutive fiscal years from April 1 of each year to March 31 three years later.

- 2) “Degree of achievement of growth targets such as business performance” is an evaluation coefficient that varies from 0% to 150%, and is calculated according to (i) the degree of achievement of the growth target for net income attributable to owners of the parent and (ii) Company stock growth rate results of a relative comparison of the Company’s TSR with the Tokyo Stock Price Index (TOPIX)’s TSR during the Target Evaluation Period.

Evaluation indicator	Evaluation percentage (weight)	Evaluation coefficient fluctuation range	Evaluation method
(i) Net income attributable to owners of the parent	50%	0% - 150%	Compare to the cumulative amount if 10% growth is achieved each fiscal year during the Target Evaluation Period, and if the degree of achievement is 41% or more, the evaluation coefficient will be in the range of 50% to 150%.
(ii) TSR (TOPIX comparison)	50%	0% - 150%	Compare the Company’s TSR during the Target Evaluation Period with the TOPIX growth rate for the same period, and if the growth rate is 50% or more, the evaluation coefficient will be in the range of 50% to 150%.
Total	100%	0% - 150%	—

Image of Remuneration Composition for Eligible Directors

Amount of payment for bonuses and standard amount for the performance-linked stock compensation system when the management objective of 10% growth in consolidated operating income is achieved (percentage in the case that basic remuneration is 100)

Fixed remuneration	Variable remuneration	
Basic remuneration (Monetary) 100	Bonuses (Monetary) 45	Performance-linked stock remuneration (stock) 50

(Note) The above diagram is an image of the remuneration of Eligible Directors for the fiscal year ending March 31, 2025, calculated based on certain company performances and the unit price of Company shares. The above percentages will fluctuate depending on the Company’s performance and changes in the stock price of Company shares.