

Translation: Please note that the following purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of investors. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

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May 31, 2022

To: Shareholders

Notice of Convocation of the 43rd Ordinary General Meeting of Shareholders

We would like to hereby inform you that the 43rd Ordinary General Meeting of Shareholders of the CAPCOM Co., Ltd. (hereinafter “the Company”) will be held as described below.

We would like to express our deepest compassion for the people and regions suffering from COVID-19. We extend our genuine condolences to those closest to the victims who lost their lives, and sincerely wish the people under severe treatment for the disease an early recovery.

As for exercising your voting rights to our proposals as described below, it is possible to exercise your voting rights by either of the methods stated below. To exercise your voting rights, please review the Reference Document Concerning the General Meeting of Shareholders below and exercise your rights by 5:30 PM on June 22, 2022 (Wednesday), JST.

[In case of exercising voting rights by mail]

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

[In case of exercising voting rights via the Internet]

Note: Voting via the Internet other than ICJ platform is only available for registered shareholders in Japan with Japanese language only. 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 a voting right can only be made via the Internet 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 which are shown on the Voting Right Exercise Form. After logging in, please indicate your approval or disapproval of each proposal by following the instructions on the display screen before the deadline stated above.

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

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

In case that a voting right is exercised both by the Voting Right Exercise Form and via the Internet, only the vote registered via the Internet will be recognized as valid.

(Note)

Your vote is important. We appreciate your participation in the Meeting through providing 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 23, 2022 (Thursday) at 10:00 a.m.
(Reception is scheduled to open at 9:00 a.m.)
2. Place: Osaka Castle Hotel, 6F Hall
1-1, Tenmabashikyomachi Chuo-ku, Osaka
3. Agenda:

Matters to be reported:

- 1 Report on the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 43rd Fiscal Year (from April 1, 2021 to March 31, 2022); and
- 2 Report on the Results of Audit for Consolidated Financial Statements for the 43rd Fiscal Year (from April 1, 2021 to March 31, 2022) by the Accounting Auditor and the Audit and Supervisory Committee.

Matters to be resolved:

- | | |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| First proposal: | Proposed Appropriation of Retained Earnings |
| Second proposal: | Partial Amendments to the Articles of Incorporation |
| Third proposal: | Election of Twelve (12) Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee) |
| Fourth proposal: | Election of Three (3) Directors Who Are Members of the Audit and Supervisory Committee |
| Fifth proposal: | Election of One (1) Director Who Shall Be a Substitute Member of the Audit and Supervisory Committee |
| Sixth proposal: | Revision of Limit on Remuneration of Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee) |
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◎ Please refrain from attending in person

In order to avoid the risk of COVID-19 infection at the Ordinary General Meeting of Shareholders, please exercise your voting rights either by returning the enclosed Voting Rights Exercise Form by mail, via the Internet or via the ICJ electronic voting right execution platform. Please refrain from attending the meeting in person.

◎ Hybrid Participation-Type General Meeting of Shareholders

We will be holding a so-called hybrid participation-type general meeting of shareholders again this year in line with current regulatory guidance, although exercising voting rights to our proposals remains unchanged as described in the Notice of Convocation of the 43rd Ordinary General Meeting of Shareholders.

Shareholders will be able to submit opinions and questions through the web portal for shareholders (in Japanese only) operated by Mitsubishi UFJ Trust and Banking, the administrator of the shareholder register. Please note:

- Questions will be limited to agenda items of the Ordinary General Meeting of Shareholders.
- Responses will be made to a portion of the comments and questions at the Ordinary General Meeting of Shareholders. The comments and questions to which the Company will respond will be those in which shareholders are commonly interested. It will not be possible to respond to all the comments and questions.
- Comments and questions from shareholders will be posted on the Company website at a later date.

◎ If you are attending the Meeting in person, please submit the Voting Right Exercise Form enclosed herewith to the receptionist at the place of the Meeting.

Reference Document Concerning the General Meeting of Shareholders

Proposals and reference matters:

First Proposal: Proposed Appropriation of Retained Earnings

The Company considers returning profits to shareholders to be one of the most important management issues. The Company, taking into account future business development and changes in operating circumstances, makes best efforts to pay stable and continued dividends on the basis of the fundamental policy under which the consolidated payout ratio is 30%.

The Company, taking into account the policy set forth above, and with net income attributable to owners of the parent having renewed a record high, proposes to distribute ¥28 per share, as the year-end dividend for the fiscal year under review.

As ¥18 per share has already been paid as the interim dividend, the annual dividend for the year under review is ¥46 and the consolidated payout ratio is 30.2%. Taking into consideration the impact of the stock split as of April 1, 2021, where one ordinary share was split into two shares, this is an increase of ¥10.5 per share compared to the previous fiscal year.

1. Type of dividend property: Cash
2. Matters concerning the allotment of dividend property and the total amount paid to shareholders:
¥28 per share of common stock of the Company; the total amount to be ¥5,977,977,152
3. Date when dividends of retained earnings take effect: June 24, 2022 (Friday)

Reference: Dividends etc., Over Time

	39th Fiscal Year ended March 2018	40th Fiscal Year ended March 2019	41st Fiscal Year ended March 2020	42nd Fiscal Year ended March 2021	43rd Fiscal Year ended March 2022 (Fiscal Year under Review)
Annual Dividend per Share (Yen)	60	35	45	71	46
Annual Dividend (Million Yen)	3,284	3,777	4,803	7,579	9,820
Consolidated Dividend Payout Ratio (%)	30.0	30.3	30.1	30.4	30.2

Note1: A stock split took place as at April 1, 2018, whereby one ordinary share was split into two shares.

Note2: A stock split took place as at April 1, 2021, whereby one ordinary share was split into two shares.

Note3: Figures for the 43rd Fiscal Year (Fiscal Year under Review) assume that this proposal is approved as proposed.

Reference Matters Common to Proposals Nos. 2, 3 and 6

Proposals Nos. 2, 3 and 6 concern increases in the number of directors. These Proposals are introduced to secure the diversity and strengthen the management personnel capabilities of the Company, thereby further strengthening the function of the Board of Directors.

The explanation of the reasons for proposing these Proposals is as follows.

【Previous Measures to Strengthen the Function of the Board of Directors】

The management philosophy of the Capcom Group (the Company and its subsidiaries, collectively called the Capcom Group) is to be a "creator of entertainment culture that stimulates your senses" through entertainment in the form of games that move and excite people. Based on this management philosophy, the Company is working to build appropriate stakeholder relations and continually enhance corporate governance.

The Company has a long history of undertaking specific measures to strengthen its organization, as listed below.

July 1999

Separation of the supervisory and executive functions of management through the introduction of an executive-officer system

June 2001

Strengthening of management monitoring functions through the appointment of external directors

February 2002

Securing the fairness and transparency of determination of directors' remuneration through the establishment of a Remuneration Committee

June 2014

Clarification of management responsibilities by shortening directors' terms in office

June 2016

Strengthening of the supervisory function of the Board of Directors by becoming a company with an Audit and Supervisory Committee and increasing the number of external directors

Securing the transparency and objectivity of the director candidate selection process by establishing a Nomination Committee

June 2018

Securing the consistency of and further enhancing problem solving, policy setting and other functions related to nominations, remuneration and other matters through the establishment of a Nomination and Remuneration Committee

【Explanation of the Presentation of Proposals Nos. 2, 3 and 6】

To respond to a continuously changing global market, the Company is striving to expand its user base and improve the value of its contents brands by advancing a digital strategy.

Amid a constantly changing business environment, the roles and responsibilities of directors will continue to expand on the global stage. As it strives to establish a solid operating base that can deliver sustainable and stable growth over the medium-to-long term, the Company

recognizes that strengthening its management-personnel capabilities is a vital issue in this regard among various ones.

At the Ordinary General Meeting of Shareholders held last year, the Company obtained approval to increase the number of internal directors by one and moved to enhance the organization of the Board of Directors. The Company is continuing its efforts to enhance and diversify its management structure, so that it can respond nimbly to changes in the operating environment. For this purpose, the Board of Directors requests that the number of internal directors be increased by two and that, to strengthen the function of supervision of the Board of Directors, the number of external directors be increased by two, as proposed in Proposal No. 3; and that the Company increase the upper limits on the numbers of these directors from those stipulated in Article 18, Number of Directors, of the current Articles of Incorporation as proposed in Proposal No. 2.

In addition to the above, the Company aims to attract talented personnel by tying remuneration levels appropriately to the expansion of revenues, thereby bolstering incentives to improve medium-to-long term business results. To this end, Proposal No. 6 requests that remuneration for directors (not including directors who are members of the Audit and Supervisory Committee) be increased.

Second Proposal: Partial Amendments to the Articles of Incorporation

1. Reasons for Amendments

(1) Introduction of general meetings of shareholders without specified location

On June 16, 2021, the national government of Japan enforced the Act on Partial Revision of the Act on Strengthening Industrial Competitiveness (hereinafter “the Revised Industrial Competitiveness Act”). This Act empowers listed corporations to convene general meetings of shareholders without specified location (also known as “virtual-only general meetings of shareholders”). The provision is subject to certain conditions as stipulated in companies’ Articles of Incorporation.

The Company is committed to maximizing dialogue at its general meetings of shareholders with as many shareholders as possible. To this end, and to ensure all shareholders’ health and safety during the current COVID-19 pandemic, the Company is not only specifying physical locations for shareholder meetings but also taking other steps to secure opportunities for wide-ranging shareholder dialogue, including with shareholders in remote locations. Accordingly, the 41st Ordinary General Meeting of Shareholders, held in June 2020, and subsequent general meetings of shareholders were convened as “hybrid-participation virtual general meetings of shareholders.”

From time to time, however, the Board of Directors may deem it inappropriate in view of shareholders’ interests to specify a particular location for the meeting, as in the event of an infectious-disease outbreak or natural disaster. In such cases, the Board may consider as one option convening a general meeting of shareholders without specified location. To enable the Board of Directors to make such a choice, the necessary stipulations are added to Article 12, “Convocation,” of the Articles of Incorporation.

In changing the Articles of Incorporation to enable the convening of general meetings of shareholders without specified location in accordance with the stipulations of the Revised Industrial Competitiveness Act, the Board of Directors’ intention is to strengthen the Company’s industrial competitiveness in view of the interests of all shareholders. The Company has therefore obtained confirmation from the Minister of Economy, Trade and Industry (Minister of METI) and Minister of Justice as to whether the conditions stipulated in the ministerial ordinances of METI and the Ministry of Justice apply.

(2) Introduction of measures for the electronic provision of reference and other documents for general meetings of shareholders

The revised stipulations specified in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will come into force on September 1, 2022. In accordance with the revised stipulations, the Company is changing the Articles of Incorporation as follows to prepare for the introduction of systems for the electronic provision of documents for general meetings of shareholders.

- ① Proposed amendment for Article 15, Paragraph 1 stipulates that the Company shall take measures to provide electronically the content of reference documents for

- general meetings of shareholders, etc.
- ② Proposed amendment for Article 15, Paragraph 2 establishes regulations limiting the scope of items listed in written documents to be delivered to shareholders who request delivery of written documents.
 - ③ Current Article 15 of the Articles of Incorporation, which specifies that reference documents, etc. for general meetings of shareholders are deemed to be delivered if they are disclosed online, is rendered unnecessary and is therefore deleted.
 - ④ In tandem with the additions and deletions listed above, supplementary provisions are established regarding matters such as effective date.

- (3) Increase in the maximum number of directors (not including directors who are members of the Audit and Supervisory Committee)
To secure the further enhancement and diversity of its management structure and to respond nimbly to changes in the business environment, the Company wishes to increase the number of internal directors by two. To strengthen further the supervisory functions of the Board of Directors, the Company wishes to increase the number of external directors by two. For these purposes, the Company is increasing the maximum number of directors as specified in Article 18 of the current Articles of Incorporation.

2. Details of the changes are as follows:

(Parts to be amended are underlined.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER III GENERAL MEETING OF SHAREHOLDERS (Convocation)	CHAPTER III GENERAL MEETING OF SHAREHOLDERS (Convocation)
Article 12. Ordinary General Meeting of Shareholders shall be convened in June each year. Extraordinary General Meeting of Shareholders may be held from time to time when necessary.	Article 12. (As per current)
<Newly established>	2. <u>When the Board of Directors decides that it is not appropriate to hold the general meeting of shareholders at the specified place due to pandemic of infection or occurrence of natural disaster in the light of benefit of shareholders, the Company may make it the general meeting of shareholders the place of which has not been specified.</u>

(Disclosure via the Internet and Deemed Provision of Reference Materials for General Meeting of Shareholders)

Article 15. When convening a general meeting of shareholders, it shall be deemed that the Company has provided shareholders with necessary information that should be described or presented in reference materials for the general meeting of shareholders, business reports, and non-consolidated and consolidated financial statements in the event that they are disclosed via the Internet in accordance with the Ministry of Justice Ordinance.

<Newly established>

CHAPTER IV

DIRECTORS, BOARD OF DIRECTORS AND AUDIT AND SUPERVISORY COMMITTEE

(Number of Directors)

Article 18. The number of Directors (other than Directors who are members of the audit and supervisory committee) shall be ten (10) or less.

2. (Omitted)

<Newly established>

<Deleted>

(Measures such as Electronically Provision)

Article 15. In connection with the convocation of the general meeting of shareholders, the Company shall take measure electronically to provide information contained in the reference materials and the like for the general meeting of shareholders.

2. The Company may omit to state a part or all of the items which may be handled by measures such as electronic provision and specified by the Ministry of Justice Ordinance in the document to be delivered to the shareholders who have requested to the Company to deliver document prior to the record date for the voting right.

CHAPTER IV

DIRECTORS, BOARD OF DIRECTORS AND AUDIT AND SUPERVISORY COMMITTEE

(Number of Directors)

Article 18. The number of Directors (other than Directors who are members of the audit and supervisory committee) shall be twelve (12) or less.

2. (As per current)

Supplementary Provisions

1. The deletion of Article 15 (Disclosure via the Internet and Deemed Provision of Reference

Materials for General Meeting of Shareholders) prior to the change and new establishment of Article 15 following the change shall take effect on September 1, 2022, the enforcement date as provided in proviso of the Supplementary Provision, Article 1 of the Act Partially Amending the Companies Act (Act No.70 of 2019).

2. Notwithstanding the preceding provision, Article 15 (Disclosure via the Internet and Deemed Provision of Reference Materials for General Meeting of Shareholders) shall remain in effect to the general meeting of shareholders to be held prior to the end of February 2023.

3. This supplementary provision shall be deleted on the later of March 1, 2023 and the date after elapse of three months after the date on which the general meeting of shareholders stated in the preceding clause is held.

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

The term of office for all eight (8) Directors (excluding Directors who are members of the Audit and Supervisory Committee) shall expire at the closing of this Ordinary General Meeting of Shareholders.

Therefore, in order to further enhance the management structure and enable the Company to respond nimbly to changes in the operating environment , and also to strengthen the function of the Board of Directors and ensure its diversity, the Company proposes to elect twelve (12) Directors, an increase of four (4) Directors.

This third proposal is subject to the second proposal being approved and resolved as proposed originally.

For the purpose of selecting the candidates for Directors, the Nomination and Remuneration Committee, the majority of which consists of Independent Directors and of which the Chairman is an Independent External Director so as to enhance transparency and objectivity, was referred to and the Board of Directors decided the candidates for Directors upon consideration of the deliberations and recommendation of the Nomination and Remuneration Committee.


Furthermore, it was reported that the Audit and Supervisory Committee expressed its opinion that the candidates are appropriate for the Directors of the Company upon deliberation.

Candidates for Directors are as follows:

Candidate No.	Name	Career position and assignment in the Company	Term of office as a Director*	Attendance of the Board of Directors meetings	Number of positions at other listed companies
1	Kenzo Tsujimoto <u>Internal</u> <u>Re-election</u>	Chairman and Representative Director Chief Executive Officer (CEO)	39 years	10/10 times (100%)	—
2	Haruhiro Tsujimoto <u>Internal</u> <u>Re-election</u>	Representative Director President and Chief Operating Officer (COO), in charge of Sales Operations Business and Arcade Operations Business	25 years	9/10 times (90%)	—
3	Satoshi Miyazaki <u>Internal</u> <u>Re-election</u>	Director Executive Vice President and Chief Human Resources Officer (CHO), in charge of Corporate Management	1 year	8/8 times (100%)	—
4	Yoichi Egawa <u>Internal</u> <u>Re-election</u>	Director Executive Corporate Officer, in charge of Development Divisions and Pachinko & Pachislo Business Divisions	9 years	10/10 times (100%)	—
5	Kenkichi Nomura <u>Internal</u> <u>Re-election</u>	Director Executive Corporate Officer, Chief Financial Officer (CFO) deputy in charge of Corporate Management	6 years	10/10 times (100%)	—
6	Yoshinori Ishida <u>Internal</u> <u>New Candidate</u>	Executive Corporate Officer, in charge of Global Business	—	—	—

7	Ryozo Tsujimoto Internal New Candidate	Executive Corporate Officer, in charge of Consumer Games Development Division 2	—	—	—
8	Toru Muranaka External Re-election Independent Director	Director	6 years	10/10 times (100%)	1 company
9	Yutaka Mizukoshi External Re-election Independent Director	Director	4 years	10/10 times (100%)	2 companies
10	Wataru Kotani External Re-election Independent Director	Director	1 year	8/8 times (100%)	—
11	Toshiro Muto External New Candidate Independent Director	—	—	—	—
12	Yumi Hirose External New Candidate Independent Director	—	—	—	—

1. The term of office as Director represents the period from assumption of office at the closing of this General Meeting of Shareholders.
2. Attendance for Messrs. Satoshi Miyazaki and Wataru Kotani is for after assumption of office at the previous General Meeting of Shareholders.


Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
1	<p data-bbox="312 443 539 477">Kenzo Tsujimoto</p>  <p data-bbox="389 786 651 824">Internal Re-election</p> <ul data-bbox="323 842 715 1249" style="list-style-type: none"> • Date of birth: December 15, 1940 • Term of office as Director: 39 years (At the closing of this Ordinary General Meeting of Shareholders) • Attendance of the Board of Directors meetings: 10/10 times (100%) • Number of shares of the Company held: 8,039,560 shares 	<p data-bbox="738 472 1398 524">June 1983: President and Representative Director of the Company</p> <p data-bbox="738 524 1374 629">Apr. 1997: Head of The Association of Copyright for Computer Software (now The General Incorporated Association of Copyright for Computer Software) (to present)</p> <p data-bbox="738 629 1437 680">Apr. 2001: Chief Executive Officer (CEO) of the Company (to present)</p> <p data-bbox="738 680 1406 732">July 2007: Chairman and Representative Director of the Company (to present)</p> <p data-bbox="738 732 1353 792">Feb. 2010: Representative Director of Kenzo Estate Winery Japan Co., Ltd. (to present)</p> <p data-bbox="738 815 1414 898">[Important concurrent office of other organizations] Representative Director of Kenzo Estate Winery Japan Co., Ltd.</p>

【Reasons for nomination and outline of expected role(s)】

Mr. Kenzo Tsujimoto has led the Capcom Group with his strong leadership as Chief Executive Officer (CEO), by virtue of his ability to make swift decisions and execute well, in addition to his excellent foresight and his abundant experience. His existence as a charismatic founder of the Company is a spiritual and mental pillar as well as centripetal force for the Company's officers and employees. Taking into consideration the results of the Company until today, the Company continues to ask shareholders to re-elect him as Director since the Company expects him to contribute to the enhancement of corporate value of the Company hereafter.

【Special interests between the candidate and the Company】

He is concurrently the representative director of Kenzo Estate Winery Japan Co., Ltd., with which the Company has a trading relationship including purchase of its products, etc.

Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
2	<p data-bbox="308 432 568 465">Haruhiro Tsujimoto</p>  <p data-bbox="387 779 651 813">Internal Re-election</p> <ul data-bbox="323 835 722 1211" style="list-style-type: none"> • Date of birth: October 19, 1964 • Term of office as Director: 25 years (At the closing of this Ordinary General Meeting of Shareholders) • Attendance of the Board of Directors meetings: 9/10 times (90%) • Number of shares of the Company held: 6,199,000 shares 	<p data-bbox="738 465 1441 499">Apr. 1987: Entered into the Company</p> <p data-bbox="738 499 1441 533">June 1997: Director of the Company</p> <p data-bbox="738 533 1441 566">Feb. 1999: Managing Director of the Company</p> <p data-bbox="738 566 1441 600">Apr. 2001: Senior Managing Director of the Company</p> <p data-bbox="738 600 1441 633">July 2004: Director and Executive Corporate Officer of the Company</p> <p data-bbox="738 633 1441 678">Apr. 2006: Director and Executive Vice President of the Company</p> <p data-bbox="738 678 1441 757">July 2007: President and Representative Director, Chief Operating Officer (COO) of the Company (to present)</p> <p data-bbox="738 757 1441 869">Aug. 2016: President and Representative Director, and Director in charge of Global Marketing Business and Arcade Operations Business of the Company</p> <p data-bbox="738 869 1441 947">June 2018: President and Representative Director, and Director in charge of Arcade Operations Business of the Company</p> <p data-bbox="738 947 1441 1048">Apr. 2020: President and Representative Director, and Director in charge of Sales Operations Business and Arcade Operations Business of the Company (to present)</p>


【Reasons for nomination and outline of expected role(s)】

Since assumption of the office of President, Mr. Haruhiro Tsujimoto has, as Chief Operating Officer (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 Multi Usage Strategy, he has worked to enhance the Arcade Operations and eSports business. He contributes to steadily strengthening the management foundation with agile management suited for environment changes and sound management methods.

The Company continues to ask shareholders to re-elect him as Director since the Company expects him to contribute to the development of the Company hereafter.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Tsujimoto and the Company.

Candi -date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
3	<p data-bbox="304 432 531 465">Satoshi Miyazaki</p>  <p data-bbox="379 779 643 813">Internal Re-election</p> <ul data-bbox="316 869 711 1245" style="list-style-type: none"> • Date of birth: February 23, 1960 • Term of office as Director: 1 year (At the closing of this Ordinary General Meeting of Shareholders) • Attendance of the Board of Directors meetings: 8/8 times (100%) • Number of shares of the Company held: 700 shares 	<p data-bbox="740 461 1383 517">Apr. 1983: Entered The Industrial Bank of Japan, Ltd. (now Mizuho Bank, Ltd.)</p> <p data-bbox="740 517 1383 618">Apr. 2011: Executive Officer, General Manager of Corporate Banking Division No.6 of the Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)</p> <p data-bbox="740 618 1383 696">Apr. 2013: Managing Executive Officer in charge of Sales of Mizuho Corporate Bank, Ltd. and Mizuho Bank, Ltd.</p> <p data-bbox="740 696 1383 853">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 data-bbox="740 853 1383 909">Apr. 2020: Representative Director and Deputy President of Mizuho Bank, Ltd</p> <p data-bbox="740 909 1383 965">Apr. 2021: Resigned from the post above</p> <p data-bbox="740 965 1383 999">May 2021: Executive Vice President of the Company (to present)</p> <p data-bbox="740 999 1383 1032">June 2021: Director of the Company (to present)</p> <p data-bbox="740 1032 1383 1111">Apr. 2022: Director, Chief Human Resources Officer and in charge of Corporate Management (to present)</p>


【Reasons for nomination and outline of expected role(s)】

Mr. Satoshi Miyazaki is working to strengthen the overall management foundation by leveraging his many years of experience working for financial institutions, and is involved in management of the Company bringing his broad insight and knowledge.

Since it is expected that he will continue to push forward with the Company's human resources investment strategy as Chief Human Resources Officer and contribute to the sustainable growth and enhancement of the corporate value of the Capcom Group by leading the administrative divisions generally, the Company asks shareholders to re-elect him as Director.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Miyazaki and the Company.


Candi -date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
4	<p data-bbox="304 434 491 465">Yoichi Egawa</p>  <p data-bbox="379 779 644 815">Internal Re-election</p> <ul data-bbox="320 837 719 1205" style="list-style-type: none"> • Date of birth: November 15, 1963 • Term of office as Director: 9 years (At the closing of this Ordinary General Meeting of Shareholders) • Attendance of the Board of Directors meetings: 10/10 times (100%) • Number of shares of the Company held: 8,300 shares 	<p data-bbox="740 465 1331 497">Apr. 1985: Entered the Company</p> <p data-bbox="740 497 1331 551">Apr. 1999: General Manager of Creative Division 5 of the Company</p> <p data-bbox="740 551 1331 631">Aug. 1999: Corporate Officer, General Manager of Creative Division 5 of the Company</p> <p data-bbox="740 631 1292 685">Apr. 2011: Managing Corporate Officer of the Company</p> <p data-bbox="740 685 1286 739">Apr. 2013: Executive Corporate Officer of the Company (to present)</p> <p data-bbox="740 739 1385 819">June 2013: Director, in charge of Arcade Business and Pachinko & Pachislo Business of the Company</p> <p data-bbox="740 819 1353 922">July 2016: Director, in charge of Amusement Equipment Business, Arcade Operations Business and Consumer Games Development of the Company</p> <p data-bbox="740 922 1347 1003">Apr. 2019: Director, in charge of Consumer Games Development and Pachinko & Pachislo Business Divisions of the Company</p> <p data-bbox="740 1003 1340 1106">Apr.2020: Director, in charge of Development Divisions and Pachinko & Pachislo Business Divisions of the Company (to present)</p>

【Reasons for nomination and outline of expected role(s)】

Mr. Yoichi Egawa has, since his entrance into the Company, been engaged in development, manufacture, sales and operation of amusement facilities for many years so that he possesses high professionalism, abundant experience and know-how. He is fully acquainted with a wide range of knowledge and practice with respect to games overall and it is expected that he will contribute to expansion of the Company's overall business hereafter as a leader in the development of consumer games so that the Company asks shareholders to continue to elect him as Director.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Egawa and the Company.

Candi -date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
5	<p data-bbox="316 434 544 465">Kenkichi Nomura</p>  <p data-bbox="389 779 651 815">Internal Re-election</p> <ul data-bbox="323 835 715 1180" style="list-style-type: none"> • Date of birth: May 18, 1955 • Term of office as Director: 6 years (At the closing of this Ordinary General Meeting of Shareholders) • Attendance of the Board of Directors meetings: 10/10 times (100%) • Number of shares of the Company held: 9,700 shares 	<p data-bbox="738 465 1426 517">Apr. 2009: Corporate Officer in charge of Internal Control of the Company</p> <p data-bbox="738 517 1362 595">July 2010: Managing Corporate Officer in charge of Financial and Accounting Division of the Company</p> <p data-bbox="738 595 1410 703">June 2015: Managing Corporate Officer in charge of Financial and Accounting Division and Secretarial Affairs, PR and IR Division of the Company</p> <p data-bbox="738 703 1353 786">Apr. 2016: Executive Corporate Officer (to present) Head of Finance, Accounting and Public Relations Divisions</p> <p data-bbox="738 786 1385 880">June 2016: Director, Chief Financial Officer (CFO) (to present) and in charge of Corporate Management of the Company</p> <p data-bbox="738 880 1417 972">Apr. 2020: Director, in charge of Corporate Management, Planning and Strategy Divisions of the Company</p> <p data-bbox="738 972 1369 1039">Apr. 2022: Director, deputy in charge of Corporate Management of the Company (to present)</p>

【Reasons for nomination and outline of expected role(s)】

Mr. Kenkichi Nomura has expertise and a wealth of experience in finance, accounting, IR, public relations, risk management and the like and as Chief Financial Officer (CFO) has overseen overall management and worked to build a strong financial foundation for the Capcom Group in order to achieve the Medium-Term Management Goals. He also works tirelessly in a wide range of fields such as management planning and the setting and promotion of business strategy to achieve further growth for the Company.

The Company asks shareholders to continue to elect him as Director since he is expected to hereafter contribute to development of the Company.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Nomura and the Company.

Candi -date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
6	<p data-bbox="316 434 528 465">Yoshinori Ishida</p>  <p data-bbox="360 779 676 815">Internal New Candidate</p> <ul data-bbox="323 833 699 927" style="list-style-type: none"> • Date of birth: March 23, 1970 • Number of shares of the Company held: 3,800 shares 	<p data-bbox="738 465 1142 497">Apr. 1992: Entered the Company</p> <p data-bbox="738 497 1422 546">Apr. 2005: General Manager of Sales Promotion Division of the Company</p> <p data-bbox="738 546 1441 624">Mar. 2011: Deputy Leader of Consumer Games Business Division and General Manager of the Consumer Games Marketing Department of the Company</p> <p data-bbox="738 624 1374 732">Apr. 2013: Corporate Officer in charge of Domestic Consumer Games Business Division and General Manager of the Consumer Games Marketing Department of the Company</p> <p data-bbox="738 732 1374 797">Apr. 2016: Corporate Officer in charge of Japan/Asia Business of the Company</p> <p data-bbox="738 797 1422 891">Apr. 2017: Corporate Officer in charge of Japan/Asia Business and Deputy Leader of Mobile Online Development Division of the Company</p> <p data-bbox="738 891 1398 1016">Apr. 2019: Managing Corporate Officer in charge of Japan/Asia Business and Deputy Leader of Mobile Online Development Division of the Company</p> <p data-bbox="738 1016 1362 1081">Oct. 2020: Managing Corporate Officer in charge of Japan/Asia Business of the Company</p> <p data-bbox="738 1081 1362 1146">Sep. 2021: Managing Corporate Officer in charge of Global Business of the Company</p> <p data-bbox="738 1146 1406 1211">Apr. 2022: Executive Corporate Officer in charge of Global Business of the Company (to present)</p>

【Reasons for nomination and outline of expected role(s)】

Mr. Yoshinori Ishida is knowledgeable about trends in the games market and the business environment as he has worked in the consumer business for many years since entering the Company. He also has abundant experience in overseas business and development. The Company asks shareholders to newly elect him as Director since he is expected to hereafter contribute to the development of the Company.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Ishida and the Company.


Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
7	<p data-bbox="308 434 518 465">Ryozo Tsujimoto</p>  <p data-bbox="360 779 676 815">Internal New Candidate</p> <ul data-bbox="323 835 715 958" style="list-style-type: none"> • Date of birth: October 18, 1973 • Number of shares of the Company held: 6,183,800 shares 	<p data-bbox="738 465 1142 497">Apr. 1996: Entered the Company</p> <p data-bbox="738 497 1441 546">Sep. 2013: General Manager of Development Division 3 of the Company</p> <p data-bbox="738 546 1362 624">Apr. 2014: Corporate Officer in charge of Consumer Games Development Division 3 of the Company</p> <p data-bbox="738 624 1426 703">June 2017: Corporate Officer in charge of Consumer Games Development Division 3 and Mobile Online Development Division of the Company</p> <p data-bbox="738 703 1433 831">Apr. 2018: Managing Corporate Officer in charge of Consumer Games Development Division 2 and Mobile Online Development Division of the Company</p> <p data-bbox="738 831 1382 896">Oct. 2020: Managing Corporate Officer in charge of Consumer Games Development Division 2</p> <p data-bbox="738 896 1422 992">Apr. 2022: Executive Corporate Officer in charge of Consumer Games Development Division 2 (to present)</p>

【Reasons for nomination and outline of expected role(s)】

Mr. Ryozo Tsujimoto has a great deal of expertise and abundant know-how as he has worked in games development for many years since entering the Company. He has broad knowledge about games in general and is experienced in actual operations. The Company asks shareholders to newly elect him as Director since he is expected to hereafter contribute to the development of the Company.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Tsujimoto and the Company.

Candi-date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
8	<p data-bbox="316 434 512 465">Toru Muranaka</p>  <p data-bbox="384 779 655 864"> External Re-election Independent Director </p> <ul data-bbox="323 882 715 1227" style="list-style-type: none"> • Date of birth: June 3, 1965 • Term of office as Director: 6 years (At the closing of this Ordinary General Meeting of Shareholders) • Attendance of the Board of Directors meetings: 10/10times (100%) • Number of shares of the Company held: 2,000 shares 	<p data-bbox="738 465 1434 703"> Apr. 1995: Registered Lawyer (Osaka Bar Association) Entered into Daiichi Law Office (now Daiichi Law Office, P.C.) Dec. 2007: Partner of Daiichi Law Office, P.C. (to present) May 2014: External Corporate Auditor of Furuno Electric Co., Ltd. (to present) June 2015: External Corporate Auditor of Suzuken Co., Ltd. June 2016: External Director of the Company (to present) </p> <p data-bbox="738 730 1374 808"> [Important concurrent office of other organizations] Partner of Daiichi Law Office, P.C. External Corporate Auditor of Furuno Electric Co., Ltd. </p>

【Reasons for nomination and outline of expected role(s)】

Mr. Toru Muranaka has not participated in management of companies other than as an External Director or an External Corporate Auditor. However, he is a lawyer specialized in the field of the Companies Act, Financial Instruments and Exchange Act and others, and in addition to holding a high level of professional knowledge and wide ranging insight and expertise, he makes suggestions and gives advice to the Company on legitimacy and appropriateness from a professional viewpoint.

It is expected that he will contribute to stronger audit and supervision of the Board of Directors from a legal viewpoint. Accordingly, the Company asks shareholders to continue to elect him as External Director.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Muranaka and the Company.

【Independence】

Mr. Muranaka is a member of Legal Professional Corporation (LPC) Daiichi Law Office, P.C. with which the Company has entered into a legal counsel agreement. However, the total amount involved in transactions between the two parties on an annual basis is very small, i.e., accounting for either party for less than one (1) % of consolidated net sales or transactions of the Company and the P.C. or less than ¥10 million. This is in compliance with the Criteria of Independence of External Directors of the Company. Accordingly the Company judges that the foregoing will not adversely affect Mr. Muranaka's independence as External Director.

Moreover, the Company filed him to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that he is re-elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

For Criteria of Independence of External Directors of the Company, please refer to P.38.

【Liability limit agreement】

The Company has entered into a liability limit agreement with Mr. Muranaka pursuant to Article 427, Paragraph 1 of the Companies Act, limiting compensation liability for damages provided for in Article 423, Paragraph 1 of the Companies Act. The limit of compensation liability for damages under the aforesaid agreement is the minimum amount provided for in the laws and ordinances. When Mr. Muranaka is re-elected, the Company is scheduled to continue the said liability limit agreement.

【Other items related to the candidate】

In December 2020 the Fair Trade Commission brought criminal charges against Suzuken Co., Ltd., where Mr. Muranaka was an External Corporate Auditor until June 2021, in relation to a violation of the Antimonopoly Act in a bid made by Suzuken Co., Ltd. to the Japan Community Health Care Organization. The Tokyo District Court handed down a judgment ordering the payment of a fine, and guilty verdicts with probation for the related parties, in June 2021. Suzuken Co., Ltd. also received an administrative penalty from the Japan Fair Trade Commission in March 2022.

The violation was discovered during an onsite inspection by the regulator in November 2019. Following the discovery, Mr. Muranaka, as a corporate auditor, carefully observed through audit and gave opinions and advice as appropriate throughout the cooperation with the investigation and the inquiry into the cause and formulation of recurrence prevention measures by executive management.

Candi- -date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
9	<p data-bbox="312 432 552 465">Yutaka Mizukoshi</p>  <p data-bbox="381 779 655 864">External Re-election Independent Director</p> <ul data-bbox="323 882 715 1227" style="list-style-type: none"> • Date of birth: August 29, 1956 • Term of office as Director: 4 years (At the closing of this Ordinary General Meeting of Shareholders) • Attendance of the Board of Directors meetings: 10/10 times (100%) • Number of shares of the Company held: 2,400 shares 	<p data-bbox="738 465 1334 544">Apr. 1980: Entered into Nippon Steel Corporation May 2004: Senior Vice President of The Boston Consulting Group</p> <p data-bbox="738 544 1366 600">Jan. 2005: Japan Co-chair of The Boston Consulting Group</p> <p data-bbox="738 600 1410 656">Jan. 2016: Senior Partner and Managing Director of The Boston Consulting Group</p> <p data-bbox="738 656 1378 757">June 2016 : External Director of Lifenet Insurance Company (to present) External Director of Asagami Corporation (to present)</p> <p data-bbox="738 757 1366 813">Jan. 2018: Senior Advisor of The Boston Consulting Group, Tokyo (to present)</p> <p data-bbox="738 813 1410 846">June 2018: External Director of the Company (to present)</p> <p data-bbox="738 846 1366 891">June 2019: Director, Japan Rugby Football Union (to present)</p> <p data-bbox="738 920 1378 1021">[Important concurrent office of other organizations] Senior Advisor of The Boston Consulting Group, Tokyo External Director of Lifenet Insurance Company External Director of Asagami Corporation</p>

【Reasons for nomination and outline of expected role(s)】

In addition to possessing expertise in management analysis and the formulation of management strategy, acquired through years of experience in, and insights from, the consultancy industry, Mr. Yutaka Mizukoshi proactively provides opinions and recommendations from an independent standpoint, based on a high level of insight into economic trends and a developed international sensibility.

Going forward, it is expected that he will contribute to stronger audit and supervision of the Board of Directors from an outside viewpoint. Accordingly, the Company asks shareholders to re-elect him as External Director.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Mizukoshi and the Company.

【Independence】


The Company filed Mr. Mizukoshi to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that he is re-elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

For Criteria of Independence of External Directors of the Company, please refer to P.38.

【Liability limit agreement】

The Company has entered into a liability limit agreement with Mr. Mizukoshi pursuant to Article 427, Paragraph 1 of the Companies Act, limiting compensation liability for damages provided for in Article

423, Paragraph 1 of the Companies Act. The limit of compensation liability for damages under the aforesaid agreement is the minimum amount provided for in the laws and ordinances. When Mr. Mizukoshi is re-elected, the Company is scheduled to continue the said liability limit agreement.

Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
10	<p data-bbox="312 443 502 472">Wataru Kotani</p>  <p data-bbox="384 786 655 869"> External Re-election Independent Director </p> <ul data-bbox="323 891 715 1234" style="list-style-type: none"> • Date of birth: April 7, 1957 • Term of office as Director: 1 year (At the closing of this Ordinary General Meeting of Shareholders) • Attendance of the Board of Directors meetings: 8/8 times (100%) • Number of shares of the Company held: 0 shares 	<p data-bbox="738 450 1318 506">Apr. 1980: Entered the National Police Agency Aug 2002: Chief of Ehime Prefectural Police Headquarters</p> <p data-bbox="738 528 1439 562">Apr. 2004: Chief of the Cybercrime Division, Community Safety Bureau, National Police Agency</p> <p data-bbox="738 584 1307 640">July 2008: Chief of Nagano Prefectural Police Headquarters</p> <p data-bbox="738 663 1394 719">Aug 2010: Chief of the Organized Crime Department, Criminal Affairs Bureau, National Police Agency</p> <p data-bbox="738 741 1394 797">Jan. 2013: Deputy Superintendent General and acting Chief of the Crime Prevention Task Force, Tokyo Metropolitan Police Department</p> <p data-bbox="738 819 1318 853">Jan. 2014: President, National Police Academy</p> <p data-bbox="738 853 1439 909">Nov 2014: Special Advisor, Japan Post Bank Co., Ltd. (to present)</p> <p data-bbox="738 931 1382 987">June 2021: Director of Japan Center for Examination Research (to present) External Director of the Company (to present)</p>

【Reasons for nomination and outline of expected role(s)】

Mr. Wataru Kotani has never participated in company management except as External Director, but has engaged in police administration for many years and has a broad range of expertise and extensive experience in the fields of IT security and law in general. Since it is expected that he will contribute to stronger audit and supervision of the Board of Directors by, for example, providing the management of the Company with recommendations and advice with a view to ensuring proper risk management and legal compliance from an impartial and objective perspective, the Company asks shareholders to re-elect him as External Director.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Kotani and the Company.

【Independence】


The Company filed Mr. Kotani to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that he is re-elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

For Criteria of Independence of External Directors of the Company, please refer to P.38.

【Liability limit agreement】

The Company has entered into a liability limit agreement with Mr. Kotani pursuant to Article 427, Paragraph 1 of the Companies Act, limiting compensation liability for damages provided for in Article

423, Paragraph 1 of the Companies Act. The limit of compensation liability for damages under the aforesaid agreement is the minimum amount provided for in the laws and ordinances. When Mr. Kotani is re-elected, the Company is scheduled to continue the said liability limit agreement.

Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
11	<p>Toshiro Muto</p>  <p>External New Candidate Independent Director</p> <ul style="list-style-type: none"> • Date of birth: July 2, 1943 • Number of shares of the Company held: 0 shares 	<p>Apr. 1966: Entered the Ministry of Finance July 1999: Director-General of the Budget Bureau of the Ministry of Finance June 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 July 2008: Chairman of Daiwa Institute of Research Ltd. June 2009: External Corporate Auditor of Sumitomo Metal Corporation (now Nippon Steel Corporation) June 2010: External Director of Mitsui & Co., Ltd. Jan. 2014: CEO of the General Incorporated Foundation Tokyo Organizing Committee of Olympic and Paralympic Games (now Public Interest Incorporated Foundation Tokyo Organizing Committee of Olympic and Paralympic Games) (to present) July 2018: Honorary Chairman of Daiwa Institute of Research Ltd. (to present)</p> <p>[Important concurrent office of other organizations] CEO of the Public Interest Incorporated Foundation Tokyo Organizing Committee of Olympic and Paralympic Games Honorary Chairman of Daiwa Institute of Research Ltd.</p>

【Reasons for nomination and outline of expected role(s)】

Mr. Toshiro Muto has never participated in company management except as External Director and External Corporate Auditor. However he possesses high insight into finance and the economy in general and in corporate governance developed at the Ministry of Finance, the Bank of Japan and industrial companies. Since it is expected that he will contribute to stronger audit and supervision of the Board of Directors through this abundant knowledge and experience, the Company asks shareholders to newly elect him as External Director.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Muto and the Company.


【Independence】

In the event that Mr. Muto is elected, the Company plans to file him to the Tokyo Stock Exchange, Inc., as an independent director.

For Criteria of Independence of External Director of the Company, please refer to P.38.

【Liability limit agreement】

When Mr. Muto is elected, the Company intends to enter into a liability limit agreement with him pursuant to Article 427, Paragraph 1 of the Companies Act, limiting compensation liability for damages provided for in Article 423, Paragraph 1 of the Companies Act. The limit of compensation liability for damages under the aforesaid agreement is the minimum amount provided for in the laws and ordinances.

Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
12	<p data-bbox="316 434 480 465">Yumi Hirose</p>  <p data-bbox="357 779 683 815">External New Candidate</p> <p data-bbox="379 831 660 866">Independent Director</p> <ul data-bbox="323 882 671 1010" style="list-style-type: none"> • Date of birth: November 7, 1960 • Number of shares of the Company held: 0 shares 	<p data-bbox="738 465 1370 524">Apr. 1979: Entered Tokyo Regional Taxation Bureau</p> <p data-bbox="738 524 1331 555">July 2012: National Tax Agency Commissioner's Secretariat Internal Inspector</p> <p data-bbox="738 555 1361 586">July 2015: District Director of Yukigaya Tax Office</p> <p data-bbox="738 586 1370 651">July 2016: Director of Personnel Division 2, General Affairs Department of Tokyo Regional Taxation Bureau</p> <p data-bbox="738 651 1342 710">July 2017: Director of General Affairs Division of National Tax College</p> <p data-bbox="738 710 1430 768">July 2018: Research Coordination Director of Tokyo Regional Taxation Bureau Research Division 3</p> <p data-bbox="738 768 1417 826">July 2019: Deputy Director of Regional Taxation Bureau Research Division 2</p> <p data-bbox="738 826 1315 857">July 2020: District Director of Shiba Tax Office</p> <p data-bbox="738 857 1378 916">Aug 2021: Tax Accountant of Hirose Tax Accountant Office (to present)</p> <p data-bbox="738 916 1410 974">Dec. 2021: Spokesperson for the village of Mikura-island (to present)</p> <p data-bbox="738 974 1326 1032">[Important concurrent office of other organizations] Tax Accountant of Hirose Tax Accountant Office</p>

【Reasons for nomination and outline of expected role(s)】

Ms. Yumi Hirose has never participated in company management but has specialist expertise and abundant experience from many years in tax administration, as well as possessing knowledge of finance and accounting. In addition she has a great deal of insight into health management. Since it is expected that she will contribute to stronger audit and supervision of the Board of Directors and deeper human resources strategy, the Company asks shareholders to newly elect her as External Director.

【Special interests between the candidate and the Company】

There is no special interest relationship between Ms. Hirose and the Company.

【Independence】

In the event that Ms. Hirose is elected, the Company plans to file her to the Tokyo Stock Exchange, Inc., as an independent director.

For Criteria of Independence of External Director of the Company, please refer to P.38.

【Liability limit agreement】

When Ms. Hirose is elected, the Company intends to enter into a liability limit agreement with her pursuant to Article 427, Paragraph 1 of the Companies Act, limiting compensation liability for damages provided for in Article 423, Paragraph 1 of the Companies Act. The limit of compensation liability for damages under the aforesaid agreement is the minimum amount provided for in the laws and ordinances.

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

The term of office for all three (3) Directors who are members of the Audit and Supervisory Committee shall expire at the closing of this Ordinary General Meeting of Shareholders.

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

For the purpose of selecting the candidates for Directors who are members of the Audit and Supervisory Committee, the Nomination and Remuneration Committee, the majority of which consists of Independent Directors and of which the Chairman is an Independent External Director so as to enhance transparency and objectivity, was referred to and the Board of Directors decided the candidates for Directors who are members of the Audit and Supervisory Committee upon consideration of the recommendation of the Nomination and Remuneration Committee.

The Audit and Supervisory Committee has given consent to this proposal.

Candidates for Directors who are members of the Audit and Supervisory Committee are as follows:

Candidate No.	Name	Career position and assignment in the Company	Term of office as a Director	Attendance of Board of Directors meetings	Attendance of Audit and Supervisory Committee meetings	Number of positions at other listed companies
1	Kazushi Hirao Internal Re-election	Director (Full-time member of the Audit and Supervisory Committee)	6 years	10/10 times (100%)	11/11 times (100%)	—
2	Yoshihiko Iwasaki External Re-election Independent Director	Director (Full-time member of the Audit and Supervisory Committee)	6 years	10/10 times (100%)	11/11 times (100%)	—
3	Makoto Matsuo External Re-election Independent Director	Director (Member of the Audit and Supervisory Committee)	15 years	10/10 times (100%)	11/11 times (100%)	3 companies

1. The term of office as Director represents the period from assumption of office at the closing of this General Meeting of Shareholders.
2. Mr. Yoshihiko Iwasaki was an External Corporate Auditor for four (4) years before being elected as an External Director who is a member of the Audit and Supervisory Committee.
3. Mr. Makoto Matsuo was an External Director for nine (9) years before being elected as an External Director who is a member of the Audit and Supervisory Committee. He has been an External Director who is a member of the Audit and Supervisory Committee for six (6) years.

Candi- date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Attendance of the Audit and Supervisory Committee meeting, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
1	<p data-bbox="308 533 483 562">Kazushi Hirao</p>  <p data-bbox="389 875 651 913">Internal Re-election</p> <ul data-bbox="323 931 715 1368" style="list-style-type: none"> • Date of birth: September 25, 1951 • Term of office as Director: 6 years (At the closing of this Ordinary General Meeting of Shareholders) • Attendance of the Board of Directors meetings: 10/10 times (100%) • Attendance of Audit and Supervisory Committee meetings: 11/11 times (100%) • Number of shares of the Company held: 21,300 shares 	<p data-bbox="738 562 1177 591">June 1988: Entered into the Company</p> <p data-bbox="738 591 1430 640">Apr. 1997: General Manager of Overseas Business Dept. of the Company</p> <p data-bbox="738 640 1430 689">July 1999: Corporate Officer, General Manager of Overseas Business Dept. of the Company</p> <p data-bbox="738 689 1430 739">Oct. 2002: General Manager of General Affairs Dept. of the Company</p> <p data-bbox="738 739 1430 788">Apr. 2004: Senior Manager of Investor Relations Section of the Company</p> <p data-bbox="738 788 1401 817">June 2004: Corporate Auditor of the Company (full-time)</p> <p data-bbox="738 817 1430 904">June 2016: Director (Full-time member of the Audit and Supervisory Committee) of the Company (to present)</p>

【Reasons for nomination and outline of expected role(s)】

Mr. Kazushi Hirao has developed an international sensibility based on many years of experience working at overseas affiliates, as well as having abundant knowledge of treasury and accounting, and audits the Company and domestic and overseas subsidiaries of the Company from a global viewpoint. It is expected that he will hereafter contribute to stronger audit and supervision of the Board of Directors based on professional knowledge and experience cultivated through his activities as Corporate Auditor and Director who is a member of the Audit and Supervisory Committee. Accordingly the Company asks shareholders to re-elect him as a Director who is a member of the Audit and Supervisory Committee.


【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Hirao and the Company.

【Liability limit agreement】

The Company has entered into a liability limit agreement with Mr. Hirao pursuant to Article 427, Paragraph 1 of the Companies Act, limiting compensation liability for damages provided for in Article 423, Paragraph 1 of the Companies Act. The limit of compensation liability for damages under the

aforesaid agreement is the minimum amount provided for in the laws and ordinances. When Mr. Hirao is re-elected, the Company is scheduled to continue the said liability limit agreement.

Candi-date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Attendance of the Audit and Supervisory Committee meeting, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
2	<p data-bbox="316 533 534 562">Yoshihiko Iwasaki</p>  <p data-bbox="381 875 655 958">External Re-election Independent Director</p> <ul data-bbox="323 981 703 1417" style="list-style-type: none"> • Date of birth: May 19, 1952 • Term of office as Director: 6 years (At the closing of this Ordinary General Meeting of Shareholders) • Attendance of the Board of Directors meetings: 10/10 times (100%) • Attendance of Audit and Supervisory Committee meetings: 11/11 times (100%) • Number of shares of the Company held: 15,600shares 	<p data-bbox="738 562 1439 1043"> Apr. 1979: Entered into National Tax Agency July 1986: District Director of Ijuin Tax Office July 1999: Deputy Commissioner (Large Enterprise Examination and Criminal Investigation) of Hiroshima Regional Taxation Bureau July 2007: Assistant Regional Commissioner (Management and Co-ordination) of Nagoya Regional Taxation Bureau July 2009: Director-General of Kanazawa Regional Tax Tribunal July 2010: Director-General of Sapporo Regional Tax Tribunal July 2011: Vice President of National Tax College June 2012: External Corporate Auditor of the Company (full-time) June 2016: External Director (Full-time member of the Audit and Supervisory Committee) of the Company (to present) </p>

【Reasons for nomination and outline of expected role(s)】

Although Mr. Yoshihiko Iwasaki has no direct management experience at private companies other than acting as an External Director and External Corporate Auditor, as he possesses a great deal of knowledge of finance and accounting in addition to professional knowledge and abundant experience of tax administration, he delivers advice and assistance from an outside viewpoint.

As it is expected that he will contribute to stronger audit and supervision of the Board of Directors from the viewpoint of tax matters, finance and accounting, the Company asks shareholders to re-elect him as External Director who is a member of the Audit and Supervisory Committee.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Iwasaki and the Company.

【Independence】

The Company filed him to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that Mr. Iwasaki is re-elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

For Criteria of Independence of External Directors of the Company, please refer to P.38.

【Liability Limit Agreement】

The Company has entered into a liability limit agreement with Mr. Iwasaki pursuant to Article 427, Paragraph 1 of the Companies Act, limiting compensation liability for damages provided for in Article 423, Paragraph 1 of the Companies Act. The limit of compensation liability for damages under the aforesaid agreement is the minimum amount provided for in the laws and ordinances. When Mr. Iwasaki is re-elected, the Company is scheduled to continue the said liability limit agreement.

Candi- -date No.	Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Attendance of the Audit and Supervisory Committee meeting, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
3	<p data-bbox="308 533 518 566">Makoto Matsuo</p>  <p data-bbox="379 875 659 958">External Re-election Independent Director</p> <ul data-bbox="323 981 707 1417" style="list-style-type: none"> • Date of birth: May 28, 1949 • Term of office as Director: 15 years (At the closing of this Ordinary General Meeting of Shareholders) • Attendance of the Board of Directors meetings: 10/10 times (100%) • Attendance of Audit and Supervisory Committee meetings: 11/11 times (100%) • Number of shares of the Company held: 18,300 shares 	<p data-bbox="738 533 1417 589">Apr. 1975: Admitted to Japanese Bar (The Dai-ichi Tokyo Bar Association) Ozaki & Momo-o</p> <p data-bbox="738 589 1321 622">Aug. 1978: Weil, Gotshal & Manges in New York</p> <p data-bbox="738 622 1193 656">Mar. 1979: Admitted to New York Bar</p> <p data-bbox="738 656 1361 701">Apr. 1989: Partner of Momo-o, Matsuo & Namba (to present)</p> <p data-bbox="738 701 1409 745">Apr. 1997: Lecturer of Nihon University, Faculty of Law: International Transaction Law</p> <p data-bbox="738 745 1425 790">Apr. 2005: Lecturer of Hitotsubashi University Faculty and Graduate School of Law: World Business Law</p> <p data-bbox="738 790 1265 824">June 2007: External Director of the Company</p> <p data-bbox="738 824 1409 880">Mar. 2014: External Corporate Auditor of Solasia Pharma K.K. (to present)</p> <p data-bbox="738 880 1393 958">June 2016: External Director (Member of the Audit and Supervisory Committee) of the Company (to present)</p> <p data-bbox="738 958 1433 1014">June 2018: Outside Statutory Auditor of Sumitomo Forestry Co., Ltd (to present)</p> <p data-bbox="738 1014 1425 1093">Apr. 2020: Outside Audit & Supervisory Board Member of Taisho Pharmaceutical Holdings Co., Ltd. (to present)</p> <p data-bbox="738 1126 1401 1283">[Important concurrent office of other organizations] Partner of Momo-o, Matsuo & Namba External Corporate Auditor of Solasia Pharma K.K. Outside Statutory Auditor of Sumitomo Forestry Co., Ltd. Outside Audit & Supervisory Board Member of Taisho Pharmaceutical Holdings Co., Ltd.</p>

【Reasons for nomination and outline of expected role(s)】

Although Mr. Makoto Matsuo has no direct management experience at private companies other than acting as External Directors and/or External Corporate Auditors, he actively engages in the legal world based on a high level of professional knowledge and a wide range of insight as a lawyer. He is also well acquainted with the business world through abundant experience as External Officer of listed companies, and he delivers guidance and advice from legal and other viewpoints at the Board of Directors.

He is expected to contribute to stronger audit and supervision of the Board of Directors with his legal expertise. Therefore, the Company asks shareholders to re-elect him as External Director who is a member of the Audit and Supervisory Committee.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Matsuo and the Company.

【Independence】

Mr. Matsuo a partner lawyer of *Momo-o Matsuo & Nanba* with which the Company has entered into legal counsel agreement. Since the total amount involved in transactions between the two parties is very

small, accounting on an annual basis for less than one (1) % of consolidated net sales or transactions of the Company or *Momo-o Matsuo & Nanba* and less than ¥10 million. This is in compliance with the Criteria of Independence of External Directors of the Company. Accordingly the Company judges that the foregoing will not adversely affect Mr. Matsuo's independence as External Director.

The Company filed Mr. Matsuo to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that he is re-elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

For Criteria of Independence of External Directors of the Company, please refer to P.38.

【Liability Limit Agreement】

The Company has entered into a liability limit agreement with Mr. Matsuo pursuant to Article 427, Paragraph 1 of the Companies Act, limiting compensation liability for damages provided for in Article 423, Paragraph 1 of the Companies Act. The limit of compensation liability for damages under the aforesaid agreement is the minimum amount provided for in the laws and ordinances. When Mr. Matsuo is re-elected, the Company is scheduled to continue the said liability limit agreement.

Reference: Skills Matrix of Members of the Board of Directors at the Closing of this General Meeting of Shareholders

Strengths of the Company

- Strong financial foundation to realize proactive strategic investment with the stable generation of cash flow and enhancement of capital efficiency.
- Generation of content from the Company's proprietary game development engine that is supported globally.
- Long-term global distribution structure utilizing a digital strategy toward further earnings growth.

Board of Directors of the Company

- Consists of members who have diverse perspectives, extensive experience, and diverse and specialized advanced skills to realize sustainable growth by making the most of the Company's strengths.
- A governance system that enables a strong audit and supervisory function through the proactive participation of External Directors.
 - ※ Regarding diversity, the Company has selected candidates solely based on their personal qualities and insight regardless of their gender, nationality, age, etc.

Name	Position	Independence (External Director)	Composition of Board of Directors/Committee (◎: Chair)			
			Board of Directors	Audit & Supervisory Committee	Nomination/ Remuneration Committee	Compliance Committee
Kenzo Tsujimoto	Chairman and Representative Director, Chief Executive Officer (CEO)		◎	—	—	—
Haruhiro Tsujimoto	President and Representative Director, Chief Operating Officer (COO)		●	—	—	●
Satoshi Miyazaki	Director, Executive Vice President, Chief Human Resources Officer (CHO)		●	—	●	●
Yoichi Egawa	Director, Executive Corporate Officer		●	—	—	●
Kenkichi Nomura	Director, Executive Corporate Officer Chief Financial Officer (CFO)		●	—	●	●
Yoshinori Ishida	Director, Executive Corporate Officer		●	—	—	●
Ryozo Tsujimoto	Director, Executive Corporate Officer		●	—	—	●
Toru Muranaka	External Director	●	●	—	—	◎
Yutaka Mizukoshi	External Director	●	●	—	●	●
Wataru Kotani	External Director	●	●	—	●	●
Toshiro Muto	External Director	●	●	—	—	●
Yumi Hirose	External Director	●	●	—	—	●
Kazushi Hirao	Director (Full-time Audit & Supervisory Committee member)		●	●	●	●
Yoshihiko Iwasaki	External Director (Full-time Audit & Supervisory Committee member)	●	●	●	◎	●
Makoto Matsuo	External Director (Audit & Supervisory Committee member)	●	●	◎	●	●

* If the third and fourth proposals are approved as proposed, the 15 Directors in total will consist of eight Internal Directors and seven External Directors. All seven External Directors are scheduled to be Independent Directors.

Thinking behind fields to which each director is expected to contribute in particular

Company Management	Experience as representative director of a listed company or equivalent, or experience of supervising company management as an external director of another company is necessary, in order to set effective management strategy toward medium to long term growth
Management Strategy	Directors able to set strategy from management experience in marketing and sales are necessary, to be able to build a management structure with rapid decision making and stronger supervision/monitoring of its risks, with a view to the expansion of the core business
Gaming Industry	Directors with management experience and a track record in these fields at a listed company or equivalent are necessary, in order to understand industry trends which are changing greatly and to implement effective strategy in a timely and appropriate manner
Digital Transformation/IT/Technology	
R&D	
Finance/Accounting/Tax	Directors with practical experience and knowledge of specialist fields are necessary so that the Board of Directors may function effectively in the supervision of important management decisions of the Company and their execution
Legal	
Global Sensibility	

Name	Fields Each Director is Expected to Contribute in Particular Toward Achievement of Medium-Term Growth Strategy							
	Company Management	Management Strategy	Gaming Industry	Digital Transformation/IT/Technology	Development/Research	Finance/Accounting/Tax	Legal	Global Sensibility
Kenzo Tsujimoto	●	●	●	●				●
Haruhiro Tsujimoto	●	●	●	●	●			●
Satoshi Miyazaki	●	●	●	●		●		●
Yoichi Egawa			●	●	●			●
Kenkichi Nomura		●	●	●		●	●	●
Yoshinori Ishida		●	●	●				●
Ryozo Tsujimoto			●	●	●			●
Toru Muranaka	●						●	●
Yutaka Mizukoshi	●	●						●
Wataru Kotani				●			●	
Toshiro Muto	●					●		●
Yumi Hirose	●					●		
Kazushi Hirao		●	●			●		●
Yoshihiko Iwasaki						●		
Makoto Matsuo	●						●	●

* The table above does not necessarily show all knowledge possessed by the candidates.

【Criteria of Independence of External Directors of the Company】

The Company established judgment criteria of independence of External Directors by which the Company makes judgment that he/she should be independent External Director if he/she does not fall under any of the following events:

- (i) A business executer of the Company group (“the Company and its consolidated subsidiaries” and the same applicable hereinafter) currently or in the past ten (10) years;
- (ii) A main business partner or a business executer of such business partner (enterprise and the like), “main” meaning that consolidated net sales or trading value between the Company group and the business partner accounts for not less than one (1) % of the Company group and the business partner (as the case may be) on an annual basis;
- (iii) A person or enterprise having main business relationship with the Company group or a business executer of such enterprise, “main” meaning that consolidated net sales or trading value between the Company group and such enterprise accounts for not less than one (1) % of the Company group and such enterprise (as the case may be) on an annual basis;
- (iv) The principal shareholder of the Company (holding not less than 10% of the total voting rights) or a business executer of such shareholder or corporation of which the Company group is principal shareholder;
- (v) A business executer of organization or corporation to which the Company group donated, financed or guaranteed in a large amount;
- (vi) A business executer of corporation with which the Company group has cross directorship;
- (vii) Lawyer, certified public accountant, consultant and the like who received ¥10 million or more in cash or assets per annum other than Director’s remuneration (in case of corporation or association to whom the subject person belongs receives such assets, an amount involved in transactions between the subject corporation or association and the Company group accounts for not less than one (1) % of the consolidated net sales or trading value of the Company group (as the case may be) on an annual basis or ¥10 million or more).
- (viii) In case of (ii) to (vii) above, person falling under any of business year in the past ten (10) years; and
- (ix) 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 on an individual basis with Directors, Mr. Kenzo Tsujimoto, Mr. Haruhiro Tsujimoto, Mr. Satoshi Miyazaki, Mr. Yoichi Egawa, Mr. Kenkichi Nomura, Mr. Toru Muranaka, Mr. Yutaka Mizukoshi, and Mr. Wataru Kotani as well as Mr. Kazushi Hirao, Mr. Yoshihiko Iwasaki and Mr. Makoto Matsuo, under which the Company indemnifies them against costs referred to in item (i) and losses referred to in item (ii) of said paragraph to the extent prescribed by laws and regulations.

This is provided, however, that indemnification is conditional, e.g., in cases where a Director is found to have executed his/her duties for the purpose of unjustly benefiting

him/herself or a third party or inflicting a loss to the Company, the Director shall be required to reimburse the costs, etc., from which he/she has been indemnified.

When each of Mr. Kenzo Tsujimoto, Mr. Haruhiro Tsujimoto, Mr. Satoshi Miyazaki, Mr. Yoichi Egawa, Mr. Kenkichi Nomura, Mr. Toru Muranaka, Mr. Yutaka Mizukoshi and Mr. Wataru Kotani as well as Mr. Kazushi Hirao, Mr. Yoshihiko Iwasaki and Mr. Makoto Matsuo is re-elected, the Company plans to continue the indemnity agreement with each of them. In addition, when the elections of Mr. Yoshinori Ishida, Mr. Ryoza Tsujimoto, Mr. Toshiro Muto and Ms. Yumi Hirose are approved, the Company plans to enter into the indemnity agreement with each of them.

【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. Under this insurance agreement, the insured are the Directors, Corporate Auditors and Corporate Officers, etc., of the Company and its subsidiaries. This insurance agreement covers litigation expenses and compensation for damages, etc., associated with claims for damages filed against the insured during the period of insurance with respect to the execution of duties by the insured.

However, there are exclusions, e.g., the insurance agreement does not cover damages, etc., arising from violations of laws and regulations and criminal acts committed intentionally by the insured.

The insurance premiums of this insurance agreement are fully borne by the Company. When each candidate 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 is re-elected or elected, he/she will become an insured person under the said insurance agreement.

Fifth Proposal: Election of One (1) Substitute Director Who Shall be a Member of the Audit and Supervisory Committee


At the 41st Ordinary General Meeting of Shareholders held on June 17, 2020, Mr. Hitoshi Kanamori was elected as a Substitute Director who shall be a member of the Audit and Supervisory Committee and its effectiveness shall be expired before the commencement of this Ordinary General Meeting of Shareholders.

Therefore, in preparation of the case in which the number of Directors who are Audit and Supervisory Committee members falls below the number legally required, the Company asks shareholders to elect one (1) Substitute Director who shall be a member of the Audit and Supervisory Committee in advance.

For the purpose of selecting a candidate for Substitute Director who is a member of the Audit and Supervisory Committee, the Nomination and Remuneration Committee, the majority of which consists of Independent Directors and of which the Chairman is an Independent External Director so as to enhance transparency and objectivity, was referred to and the Board of Directors decided the candidate for Substitute Director who is a member of the Audit and Supervisory Committee upon consideration of the recommendation of the Nomination and Remuneration Committee.

The Audit and Supervisory Committee has given consent to this proposal.

The following is candidate for Substitute Director who shall be a member of the Audit and Supervisory Committee:

<p>Name (Date of birth, Term of office as Director, Attendance of the Board of Directors meetings, Attendance of the Audit and Supervisory Committee meeting, Number of shares of the Company held)</p>	<p>Resume, position, responsibility, important concurrent office of other organizations</p>
<p>Hitoshi Kanamori</p>  <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Substitute External Director who is a member of the Audit and Supervisory Committee</p> </div> <ul style="list-style-type: none"> • Date of birth: August 1, 1954 • Number of shares of the Company held: 0 shares 	<p>Apr. 1984: Public Prosecutor of Tokyo District Public Prosecutors Office Apr. 1985: Public Prosecutor of Yamagata District Public Prosecutors Office Apr. 1988: Public Prosecutor of Niigata District Public Prosecutors Office Apr. 1992: Registered Lawyer (Tokyo Bar Association) Feb. 1996: Director of the Board, Social Welfare Corporation Musashinokai (to present) Apr. 2002: Trustee of the Association for International Manpower Development of Medium and Small Enterprises, Japan (now International Manpower Development Organization, Japan) Oct. 2018: Lawyer, Kanamori Law Office (to present) Mar. 2020: Representative Director, Chairman of the Board of International Manpower Development Organization (full-time) (to present)</p> <p>[Important concurrent office of other organizations] Lawyer, Kanamori Law Office Representative Director, Chairman of the Board of International Manpower Development Organization</p>

【Reasons for nomination and outline of expected role(s)】

Although Mr. Hitoshi Kanamori has no direct management experiences at private companies other than being External Director and External Corporate Auditor, he possesses knowledge and abundant experience as a lawyer. Since it is expected that he will contribute to the enhancement of audit and supervision of the Board of Directors by virtue of appropriate guidance and advice as a legal professional, the Company asks shareholders to elect him as External Substitute Director who is a member of the Audit and Supervisory Committee.

He is scheduled to be notified to Tokyo Stock Exchange, Inc. as an independent director when he assumes office as External Director who is a member of the Audit and Supervisory Committee.

【Special interests between the candidate and the Company】

There is no special interest relationship between Mr. Kanamori and the Company.

【Liability Limit Agreement】

When Mr. Kanamori assumes office as External Director who is a member of the Audit and Supervisory Committee, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company is scheduled to enter into a liability limit agreement limiting compensation liability provided for in Article 423, Paragraph 1 of the Companies Act with him.

The limit of compensation liability for damages under the aforesaid agreement is the minimum amount provided for in the laws and ordinances.

【Indemnity Agreement】

When Mr. Kanamori assumes office as External Director who is a member of the Audit and Supervisory Committee, the Company will enter into with him an indemnity agreement prescribed in Article 430-2, Paragraph 1 of the Companies Act, under which the Company indemnifies him against costs referred to in item (i) and losses referred to in item (ii) of said paragraph to the extent prescribed by laws and regulations.

This is provided, however, that indemnification is conditional, e.g., in cases where a Director is found to have executed his/her duties for the purpose of unjustly benefiting him/herself or a third party or inflicting a loss to the Company, the Director shall be required to reimburse the costs, etc., from which he/she has been indemnified.

【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. The insured are the Directors, Corporate Auditors and Corporate Officers, etc., of the Company and its subsidiaries. When Mr. Kanamori assumes office as an External Director who is a member of the Audit and Supervisory Committee, he will become an insured under this insurance agreement. This insurance agreement covers litigation expenses and compensation for damages, etc., associated with claims for damages filed against the insured during the period of insurance with respect to the execution of duties by the insured.

However, there are exclusions, e.g., the insurance agreement does not cover damages, etc., arising from violations of laws and regulations and criminal acts committed intentionally by the insured.

Sixth Proposal: Revision of Limit on Remuneration of Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee)

At the 37th Ordinary General Meeting of Shareholders, held June 17, 2016, maximum annual remuneration of directors (hereinafter excluding Directors who are members of the Audit and Supervisory Committee) was approved in the amount of 550 million yen in total (including 50 million yen for External Directors). This limit continues to apply to this day.

In the Second and Third Proposals listed above, the Company requests that increases in the number of directors be approved. The purpose of these increases is to strengthen the functions of the Board of Directors.

Improvement of the Company’s business results over the medium-to-long term requires strengthening of incentives. As the digitalization of the business environment advances, the roles and responsibilities of Directors are expanding globally. To attract and retain talented personnel, appropriate remuneration levels must be established in response to increases in earnings. For these reasons, the Company requests an increase in Directors’ remuneration to a maximum of 1.1 billion yen in total (including 70 million yen for External Directors). The Company requests that, as in the past, the employee portion of remuneration (salary) of Directors who also serve as employees of the Company be excluded from this proposed limit.,

At its meeting of January 28, 2021, the Board of Directors established a Policy on Deciding Individual Remuneration of Directors and Related Matters (hereinafter “the Decision-Making Policy”), an overview of which is provided below on P.44 for your immediate reference. The current proposal is in line with the purposes described above and with the Decision-Making Policy, and is presented to shareholders following the decision by the Board of Directors after consultation with the Nomination and Remuneration Committee (whose Chair is an External Director and a majority of whose members are External Directors) and based on its deliberation and reporting. Accordingly, the Board of Directors judges the proposal to be appropriate. Moreover, the Audit and Supervisory Committee has issued its opinion, based on its own deliberations, that the proposal is appropriate.

The current Board of Directors consists of eight members (three of whom are External Directors). If the second proposal to this Ordinary General Meeting of Shareholders, “Partial Amendments to the Articles of Incorporation,” and the third proposal, “Election of Twelve (12) Directors (excluding Directors Who are Members of the Audit and Supervisory Committee),” are approved as originally proposed, the number of Directors will increase by four members to 12 (of whom five are External Directors).

(Reference)

	<37 th Period> (Fiscal year ended March 31, 2016)	<43 rd Period> (Fiscal year ended March 31, 2022)
Net sales (millions of yen)	77,021	110,054
Operating income (millions of yen)	12,029	42,909
Net income attributable to owners of parent (millions of yen)	7,745	32,553
Net income per share (yen)	34.44	152.48

* The Company split its shares as at April 1, 2018, whereby one ordinary share was split into two shares, and as at April 1, 2021, the Company split its shares whereby one ordinary share was split into two

shares. For this reason the Net income per share above is calculated assuming the share split took place as at the beginning of the 37th period

<Deciding Individual Remuneration of Directors>

- (i) Remuneration, etc. of directors (excluding directors who serve as members of the Audit and Supervisory Committee)
 - a. Base remuneration of directors (excluding directors who serve as members of the Audit and Supervisory Committee)
 - Monthly remuneration shall be fixed in amount, i.e., fixed remuneration.
 - Remuneration shall be in the amount deemed reasonable after taking into consideration each director's position, his/her job responsibilities, how long he/she has been in office, whether he/she is an executive director or non-executive director and other such factors and evaluating his/her performance as an individual.
 - b. Performance-linked remuneration, etc., of directors (excluding external directors and directors who are members of the Audit and Supervisory Committee)
 - This shall basically be short-term performance-linked remuneration in the form of bonus payment for a single fiscal year.
 - Based on the Company's management goal of "stable profit growth," it shall be calculated by evaluating the following items: "consolidated net profit attributable to the parent in the black on a single fiscal year basis," "year-on-year increase in consolidated operating income," "multi-year consecutive increase in consolidated operating income," and "evaluation of operations that the relevant director is in charge of."
 - The percentage of remuneration, etc. of directors (excluding external directors and directors who serve as members of the Audit and Supervisory Committee) shall be set based on the above items, within the limit for the bonus payment for a single fiscal year, which is capped at 50% of the annual base remuneration amount, in addition to monthly remuneration (i.e., base remuneration).
- (ii) Remuneration, etc. of directors who serve as members of the Audit and Supervisory Committee
 - The remuneration, etc. of individual directors who serve as members of the Audit and Supervisory Committee shall be fixed in amount instead of being linked to performance from the point of view of ensuring independence, and shall be determined through discussions by the directors who serve as members of the Audit and Supervisory Committee in consideration of such factors as whether they serve full-time or part-time.
 - Based on the advice given by the Nomination and Remuneration Committee, the Board of Directors shall determine the amount of remuneration of each director within the limit of the total amount of remuneration, etc. of all directors (excluding directors who serve as members of the Audit and Supervisory Committee) and the total amount of remuneration, etc. of all directors who serve as members of the Audit and Supervisory Committee determined by the resolution of the general meeting of shareholders.