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[Written Materials]

## **TSUBURAYA FIELDS HOLDINGS**

### **37<sup>th</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Reference Materials, Business Report, etc.

#### **TSUBURAYA FIELDS HOLDINGS INC.**

Securities code: 2767

- Other Matters Subject to Measures for Electronic Provision (matters omitted from the written materials)  
The following matters are not contained in the written materials sent to the shareholders who requested delivery thereof in accordance with the laws and regulations and the Company's Articles of Incorporation. Accordingly, the documents provided here are part of those audited by the Audit & Supervisory Board Members and the Accounting Auditor when preparing their audit report and accounting audit report.
  - Business Report
    - Matters related to the current situation of the Company's Group
      - Business progress and results
      - Issues to be addressed
      - Major offices, etc., of the Company and its subsidiaries, etc.
      - Matters regarding specified wholly-owned subsidiaries
      - Details of major businesses
      - Situation regarding employees
      - Major creditors
    - Matters regarding shares
      - Matters regarding the Company's share acquisition rights, etc.
    - Matters regarding the Company's Officers
      - Summary of details of liability limitation agreement
      - Summary of details of Directors and Officers liability insurance contract
    - Situation regarding Accounting Auditor
      - Name of the Company's Accounting Auditor
      - Compensation, etc., of Accounting Auditor for the current fiscal year
      - Details of non-audit services
      - Policies regarding decision of dismissal or refusal of reappointment of Accounting Auditor
    - Structure and policies of the Company
      - Structure to ensure proper implementation of business
      - Overview of situation regarding operation of structure to ensure proper implementation of business
      - Basic policies regarding control of stock companies
      - Policies regarding decision on dividends of surplus, etc.
  - Consolidated Financial Statements, etc.
    - Consolidated statement of change in equity
    - Notes to consolidated financial statements
    - Non-consolidated balance sheet
    - Non-consolidated statement of income
    - Non-consolidated statement of change in equity
    - Notes to non-consolidated financial statements
  - Audit Reports
    - Audit Report from Accounting Auditor for Consolidated Financial Statements
    - Audit Report from Accounting Auditor
    - Audit Report from the Audit & Supervisory Board
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## ■ **Reference Materials for Annual General Meeting of Shareholders**

- **Proposal 1:** Disposition of Surplus
- **Proposal 2:** Partial Amendments to the Articles of Incorporation
- **Proposal 3:** Election of Five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members)
- **Proposal 4:** Election of Three (3) Directors who are Audit & Supervisory Committee Members
- **Proposal 5:** Setting of Amount of Compensation for Directors (Excluding Directors who are Audit & Supervisory Committee Members)
- **Proposal 6:** Setting of Amount of Compensation for Directors who are Audit & Supervisory Committee Members

**Proposals and References**

**Proposal 1: Disposition of Surplus**

The Company regards the enhancement of corporate value as an important management issue, and its basic policy is to pay dividends in an appropriate manner in line with its profits.

We recognize that, as the Company group operating a global content business, it is essential for us to conduct continued investment towards business growth. The Company will achieve steady business growth and earnings growth and implement shareholder returns, such as dividends, while considering the balance with business investments.

Therefore, the actual amount of dividends will be 50 yen per share (a 10-yen increase from the previous fiscal year), as the Company disclosed in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025” dated May 13, 2025.

Matters regarding year-end dividends:

- 1. Assets subject to dividend  
Cash
- 2. Matters concerning allotment of dividend assets and their total amount  
50 yen per common share of the Company  
Total amount of dividend assets: 3,110,822,500 yen
- 3. Effective date of dividends of surplus  
June 19, 2025

**Proposal 2: Partial Amendments to the Articles of Incorporation**

**1) Reasons for Amendments**

(1) Based on the Company’s corporate philosophy of *The Greatest Leisure for All People*, as the value of Japan-originated IP and content increases globally, the Company is aggressively promoting its business with the aim of establishing a global content business and is striving to strengthen its corporate governance and maximize the group’s corporate value.

Under these circumstances, as part of its measures to further strengthen the system, the Company has decided to transition to a “Company with an Audit & Supervisory Committee” in order to promote the separation of supervision and execution.

Along with such transition, necessary changes will be made to the Company’s Articles of Incorporation such that provisions concerning Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee will be newly established, amendments will be made concerning the delegation of decisions on the execution of important operations, and provisions concerning Audit & Supervisory Board Member and the Audit & Supervisory Board will be deleted.

(2) Changes will be made to the Company’s Articles of Incorporation to enable disposition of surplus, etc. to be made based on a resolution of the Board of Directors so that capital and dividend policies can be flexibly implemented.

(3) Along with such changes, the article numbers, etc. will be changed.

**2) Details of the Changes**

The details of the changes are as follows:

(Amended parts are underlined.)

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Current Articles of Incorporation	Proposed Changes
<p style="text-align: center;">Chapter I. General Provisions</p> <p>Article 1 ~ Article 3 (Omitted)</p> <p>(Corporate Bodies) Article 4 The Company shall have the following corporate bodies, in addition to the General Meeting of Shareholders and the Directors:</p> <p>(1) Board of Directors; (2) <u>Audit &amp; Supervisory Board Members;</u> (3) <u>Audit &amp; Supervisory Board;</u> and (4) Accounting Auditor.</p> <p>Article 5 (Omitted)</p> <p style="text-align: center;">Chapter II. Shares</p> <p>Article 6 ~ Article 9 (Omitted)</p> <p>(Administrator of Shareholders' Register) Article 10 (Omitted) 2. The administrator of the shareholders' register and its business office shall be determined based on a resolution of the Board of Directors.</p> <p>3. (Omitted)</p> <p>(Share Handling Regulations) Article 11 The handling and fees related to the shares of the Company shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to the laws or these Articles of Incorporation.</p> <p style="text-align: center;">Chapter III. General Meeting of Shareholders</p> <p>Article 12 ~ Article 17 (Omitted)</p> <p style="text-align: center;">Chapter IV. Directors and Board of Directors</p>	<p style="text-align: center;">Chapter I. General Provisions</p> <p>Article 1 ~ Article 3 (Unchanged)</p> <p>(Corporate Bodies) Article 4 The Company shall have the following corporate bodies, in addition to the General Meeting of Shareholders and the Directors:</p> <p>(1) Board of Directors; (2) <u>Audit &amp; Supervisory Committee;</u> and (Deleted) (3) Accounting Auditor.</p> <p>Article 5 (Unchanged)</p> <p style="text-align: center;">Chapter II. Shares</p> <p>Article 6 ~ Article 9 (Unchanged)</p> <p>(Administrator of Shareholders' Register) Article 10 (Unchanged) 2. The administrator of the shareholders' register and its business office shall be determined based on a resolution of the Board of Directors <u>or by a Director who has been delegated based on a resolution of the Board of Directors.</u></p> <p>3. (Unchanged)</p> <p>(Share Handling Regulations) Article 11 The handling and fees related to the shares of the Company shall be governed by the Share Handling Regulations established by the Board of Directors <u>or by a Director who has been delegated based on a resolution of the Board of Directors,</u> in addition to the laws or these Articles of Incorporation.</p> <p style="text-align: center;">Chapter III. General Meeting of Shareholders</p> <p>Article 12 ~ Article 17 (Unchanged)</p> <p style="text-align: center;">Chapter IV. Directors and Board of Directors, <u>and</u> <u>Audit &amp; Supervisory Committee</u></p>

(Number of Members)

Article 18

The number of Directors of the Company shall be within fifteen (15).

(Newly established)

(Method of Election)

Article 19

Directors shall be elected at a General Meeting of Shareholders.

2. (Omitted)

3. (Omitted)

(Term of Office)

Article 20

The term of office of Directors shall be until the closing of the Annual General Meeting of Shareholders for the last business year ending within two (2) years after their election.

(Newly established)

2. The term of office of a Director who has been elected as an additional or a substitute member shall be until such time as the term of office of the other Directors who are currently in office expires.

(Newly established)

(Newly established)

(Number of Members)

Article 18

1. The number of Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members) shall be within ten (10).

2. The number of Directors of the Company who are Audit & Supervisory Committee Members shall be within five (5).

(Method of Election)

Article 19

Directors shall be elected at a General Meeting of Shareholders by distinguishing between Directors who are Audit & Supervisory Committee Members and other Directors.

2. (Unchanged)

3. (Unchanged)

(Term of Office)

Article 20

1. The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be until the closing of the Annual General Meeting of Shareholders for the last business year ending within one (1) year after their election.

2. The term of office of Directors who are Audit & Supervisory Committee Members shall be until the closing of the Annual General Meeting of Shareholders for the last business year ending within two (2) years after their election.

3. The term of office of a Director who has been elected as an additional member or a substitute member of a Director (excluding Directors who are Audit & Supervisory Committee Members) who has retired before the expiry of his/her term of office shall be until such time as the term of office of the other Directors (excluding Directors who are Audit & Supervisory Committee Members) expires.

4. The term of office of a Director who is an Audit & Supervisory Committee Member and who has been elected as a substitute member of a Director who was an Audit & Supervisory Committee Member and who has retired before the expiry of his/her term of office shall be until such time as the term of office of the retired Director who was an Audit & Supervisory Committee Member expires.

5. The election of a substitute member for a Director who is an Audit & Supervisory Committee Member elected pursuant to Article 329, Paragraph (3) of the Companies Act shall be effective until the commencement of an Annual General Meeting of Shareholders for the last business year ending within two (2) years after his/her election.

(Newly established)

(Representative Directors and Directors with Special Titles)

Article 21

The Board of Directors shall elect Representative Directors based on its resolution.

2. The Board of Directors may appoint one (1) Director and Chairman, one (1) Director and President, and several Director and Vice Chairmen, Director and Executive Vice President, and Director and Senior Managing Director based on its resolution.

(Newly established)

Article 22 (Omitted)

(Convocation Notice of Board of Directors Meeting)

Article 23

Notice of convocation of a Board of Directors meeting shall be given to each Director and each Audit & Supervisory Board Member at least three (3) days prior to the day of such meeting, provided that in the case of urgent necessity, this period may be shortened.

2. A Board of Directors meeting may be held by dispensing with the procedure for convocation by unanimous consent of all Directors and Audit & Supervisory Board Members.

Articles 24 (Omitted)

(Newly established)

6. If a substitute member for a Director who is an Audit & Supervisory Committee Member under the preceding paragraph assumes the office of a Director who is an Audit & Supervisory Committee Member, the term of office of such substitute Director shall be until such time as the term of office of the retired Director who is an Audit & Supervisory Committee Member expires.

(Representative Directors and Directors with Special Titles)

Article 21

1. The Board of Directors shall elect Representative Directors from among the Directors (excluding Directors who are Audit & Supervisory Committee Members) based on its resolution.

2. The Board of Directors may appoint one (1) Director and Chairman, one (1) Director and President, and several Director and Vice Chairmen, Director and Executive Vice Presidents, and Director and Senior Managing Director, from its Directors (excluding Directors who are Audit & Supervisory Committee Members) based on its resolution.

(Full-Time Audit & Supervisory Committee Members)

Article 22

The Audit & Supervisory Committee may elect full-time Audit & Supervisory Committee Members based on its resolution.

Article 23 (Unchanged)

(Convocation Notice of Board of Directors Meeting)

Article 24

Notice of convocation of a Board of Directors meeting shall be given to each Director at least three (3) days prior to the day of such meeting, provided that in the case of urgent necessity, this period may be shortened.

2. A Board of Directors meeting may be held by dispensing with the procedure for convocation by unanimous consent of all Directors.

Articles 25 (Unchanged)

(Convocation Notice of Audit & Supervisory Committee Meeting)

Article 26

1. Notice of convocation of an Audit & Supervisory

(Board of Directors Regulations)  
Article 25

Any matters concerning the Board of Directors shall be governed by the laws and regulations or these Articles of Incorporation, as well as the Board of Directors Regulations prescribed by the Board of Directors.

(Compensation, etc.)  
Article 26

The compensation, bonuses and other property benefits paid to Directors by the Company as consideration for the execution of their duties (hereinafter referred to as "Compensation, Etc.") shall be determined based on a resolution of a General Meeting of Shareholders.

Articles 27 (Omitted)

(Newly established)

Chapter V. Audit & Supervisory Board Members and Audit & Supervisory Board

(Number of Members)

Article 28

The number of Audit & Supervisory Board Members of the Company shall be within four (4).

(Method of Election)

Article 29

Committee meeting shall be given to each Audit & Supervisory Committee Member at least three (3) days prior to the day of such meeting, provided that in the case of urgent necessity, this period may be shortened.

2. An Audit & Supervisory Committee meeting may be held by dispensing with the procedure for convocation by unanimous consent of all Audit & Supervisory Committee Members.

(Board of Directors Regulations and Audit & Supervisory Committee Regulations)

Article 27

Any matters concerning the Board of Directors and the Audit & Supervisory Committee shall be governed by the laws and regulations or these Articles of Incorporation, as well as the Board of Directors Regulations prescribed by the Board of Directors and the Audit & Supervisory Committee Regulations prescribed by the Audit & Supervisory Committee.

(Compensation, etc.)

Article 28

The compensation, bonuses and other property benefits paid to Directors by the Company as consideration for the execution of their duties shall be determined based on a resolution of a General Meeting of Shareholders by distinguishing between Directors who are Audit & Supervisory Committee Members and other Directors.

Articles 29 (Unchanged)

(Delegation of Decisions on Execution of Important Operations)

Article 30

Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, based on a resolution of the Board of Directors, delegate all or part of the decisions on the execution of important operations (excluding the matters listed in each item of Paragraph 5 of the same Article) to the Directors.

(Deleted)

(Deleted)

(Deleted)

1. Audit & Supervisory Board Members shall be elected at a General Meeting of Shareholders.

2. A resolution for the election of Audit & Supervisory Board Members shall be adopted by a majority vote of the shareholders present holding one-third (1/3) or more of the number of voting rights of the shareholders entitled to exercise their voting rights.

(Term of Office)

(Deleted)

Article 30

1. The term of office of Audit & Supervisory Board Members shall be until the closing of the Annual General Meeting of Shareholders for the last business year ending within four (4) years after their election.

2. The term of office of an Audit & Supervisory Board Member who has been elected as a substitute member of an Audit & Supervisory Board Member who has retired before the expiry of his/her term of office shall be until such time as the term of office of the retired Audit & Supervisory Board Member expires.

(Full-Time Audit & Supervisory Board Members)

(Deleted)

Article 31

The Audit & Supervisory Board shall elect full-time Audit & Supervisory Board Members based on its resolution.

(Convocation Notice of Meeting of Audit & Supervisory Board)

(Deleted)

Article 32

1. Notice of convocation of an Audit & Supervisory Board meeting shall be given to each Audit & Supervisory Board Member at least three (3) days prior to the day of such meeting, provided that, in case of urgent necessity, this period may be shortened.

2. An Audit & Supervisory Board meeting may be held by omitting with the procedure for convocation by unanimous consent of all Audit & Supervisory Board Members.

(Method of Resolution of Audit & Supervisory Board)

(Deleted)

Article 33

A resolution of the Audit & Supervisory Board shall be adopted by a majority vote of the Audit & Supervisory Board Members, unless otherwise provided for in the laws and regulations.

(Audit & Supervisory Board Regulations)

(Deleted)

Article 34

Any matters concerning the Audit & Supervisory

Board shall be governed by the laws and regulations or these Articles of Incorporation, as well as the Audit & Supervisory Board Regulations prescribed by the Audit & Supervisory Board.

(Compensation, etc.)

Article 35

The compensation, etc. for Audit & Supervisory Board Members shall be determined based on a resolution of a General Meeting of Shareholders.

(Deleted)

(Exemption of Liability of Audit & Supervisory Board Members)

Article 36

1. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, based on a resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from their liability for damage caused by their breach of their duties, to the extent permitted by the laws and regulations.

(Deleted)

2. The Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, execute an agreement with Audit & Supervisory Board Members for limiting their liability for damage caused by breaching their duties, provided that the maximum limit of the liability under such agreement shall be a predetermined amount of not less than 3,000,000 yen, or the amount prescribed by the laws and regulations, whichever is higher.

#### Chapter VI. Accounting

(Business Year)

Article 37 (Omitted)

#### Chapter V. Accounting

(Business Year)

Article 31 (Unchanged)

(Newly established)

(Decision-Making Body for Dividends of Surplus, Etc.)

Article 32

Unless otherwise provided for in the laws and regulations, the Company may, based on a resolution of the Board of Directors, decide on the matters set forth in the respective items of Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus.

(Record Date for Dividends of Surplus)

Article 38 (Omitted)

(Record Date for Dividends of Surplus)

Article 33 (Unchanged)

(Newly established)	<u>2. The record date for the interim dividends of the Company shall be September 30 of each year.</u>
(Newly established)	<u>3. In addition to the two (2) preceding paragraphs, the Company may distribute dividends of surplus by setting a record date.</u>
<u>(Interim Dividends)</u> <u>Article 39</u> <u>The Company may, based on a resolution of the Board of Directors, distribute interim dividends with a record date of September 30 of each year.</u>	(Deleted)
Article <u>40</u> (Omitted)	Article <u>34</u> (Unchanged)
(Newly established)	<p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>(Transitional Measures Concerning Exemption of Liability of Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 1</u></p> <p><u>1. The Company may, based on a resolution of the Board of Directors, exempt the Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from their liability for damage as prescribed in Article 423, Paragraph 1 of the Companies Act with respect to their acts prior to the closing of the 37<sup>th</sup> Annual General Meeting of Shareholders, to the extent permitted by the laws and regulations.</u></p> <p><u>2. The agreement for limiting the liability for damage under Article 423, Paragraph 1 of the Companies Act with respect to the acts of Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) prior to the closing of the 37<sup>th</sup> Annual General Meeting of Shareholders shall be subject to the provision of Article 36, Paragraph 2 of these Articles of Incorporation prior to the changes made based on the resolution of such Annual General Meeting of Shareholders.</u></p>

**Proposal 3: Election of Five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members)**

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as proposed, the Company will become a Company with an Audit & Supervisory Committee, and all of the fourteen (14) Directors will retire due to expiration of their terms of offices when the amendments to the Articles of Incorporation come into force. Accordingly, the Company hereby requests the shareholders to elect the five (5) following Directors (excluding Directors who are Audit & Supervisory Committee Members) after the Company’s transition to a Company with an Audit & Supervisory Committee.

In order to ensure fairness and transparency, candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are decided at a Board of Directors meeting, after inquiring this issue to the Group Nominating/Compensation Committee.

This Proposal 3 shall become effective under the condition that the amendments to the Articles of Incorporation become effective along with the approval and adoption of Proposal 2 “Partial Amendments to the Articles of Incorporation.”

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

Candidate No.	Name		Positions and Duties at the Company (as of April 1, 2025)	Status of Attendance at Board of Directors Meetings (Attendance Rate)	Member of Group Nominating/Compensation Committee
1 <span style="border: 1px solid black; padding: 0 2px;">Re-elected</span>	Hidetoshi Yamamoto	<span style="border: 1px solid black; padding: 0 2px;">Male</span>	President and Group CEO	11/12 (91.67%)	○
2 <span style="border: 1px solid black; padding: 0 2px;">Re-elected</span>	Ei Yoshida	<span style="border: 1px solid black; padding: 0 2px;">Male</span>	Senior Managing Director	12/12 (100%)	–
3 <span style="border: 1px solid black; padding: 0 2px;">Re-elected</span>	Masayuki Nagatake	<span style="border: 1px solid black; padding: 0 2px;">Male</span>	Director	12/12 (100%)	–
4 <span style="border: 1px solid black; padding: 0 2px;">Re-elected</span>	Kenichi Ozawa	<span style="border: 1px solid black; padding: 0 2px;">Male</span>	Director and Group CFO; Division Manager, Group Business Strategy Division	12/12 (100%)	–
5 <span style="border: 1px solid black; padding: 0 2px;">Re-elected</span>	Kimie Morishita	<span style="border: 1px solid black; padding: 0 2px;">Outside Independent Officer Female</span>	Outside Director	9/9 (100%)	–

(Note) 1. Ms. Kimie Morishita was elected as a Director at the 36th Annual General Meeting of Shareholders held on June 19, 2024, and assumed office on July 1, 2024.

2. The Group Nominating/Compensation Committee consists of four (4) members (including two (2) outside directors), with ○ indicating the members.

Candidate  
No. 1

**Hidetoshi Yamamoto**

Re-elected

Male

- |   |                   |
|---|-------------------|
| ■ <b>Date of birth</b>                                  | October 29, 1955  |
| ■ <b>Number of Company shares held by the candidate</b> | 15,250,000 shares |

■ **Reason for Nominating the Candidate for Director**

Mr. Hidetoshi Yamamoto, a founder of the Company, has been directing and leading the management of the Company group with strong leadership since the time of its foundation. He has been playing a significant role in conducting decision-making and the business operations of the Company Group through his high level of expertise and knowledge regarding the business of the Company Group.

In addition, as a member of the Group Nominating/Compensation Committee, he is contributing to strengthening the supervisory function of management by making proposals and answering questions regarding agenda items in an appropriate manner from the standpoint of representing the Company.

The Board of Directors nominates him as a candidate for Director based on its judgment that he would be an appropriate resource for reinforcing cooperation and performing the supervisory function among the Group management.

■ **Background and Positions and Duties at the Company**

- |              |  |
|--------------|--|
| June 1988    | Representative Director and President at the time of incorporation, the Company                            |
| April 2000   | Outside Director, Tokyo Itoi Shigesato Office Co., Ltd. (currently Hobonichi Co., Ltd. (current position)) |
| June 2007    | Representative Director and Chairman, the Company  |
| May 2018     | Representative Director, Chairman, and Group CEO, the Company  |
| June 2019    | Representative Director and President, Total Workout premium management Inc. (current position)            |
| August 2022  | Representative Director, President and Group CEO, the Company  |
| October 2022 | Director and Chairman, FIELDS CORPORATION (current position)   |
| June 2024    | Representative Director and President and Group CEO, the Company (current position)                        |

■ **Important concurrent positions:**

- Director and Chairman, FIELDS CORPORATION
- President, Total Workout premium management Inc.
- Outside Director, Hobonichi Co., Ltd. (Securities Code: 3560)

Candidate  
No. 2

**Ei Yoshida**

Re-elected

Male

- |   |                |
|---|----------------|
| ■ <b>Date of birth</b>                                  | May 5, 1962    |
| ■ <b>Number of Company shares held by the candidate</b> | 190,000 shares |

■ **Reason for Nominating the Candidate for Director**

Mr. Ei Yoshida has abundant experience and a high level of expertise in the pachinko/ pachislot machines industry and has been effective in carrying out the roles and duties including control, promotion, and supervision of the amusement equipment business as the Representative Director of FIELDS CORPORATION, a core company of the Company Group.

The Board of Directors nominates him as a candidate for Director based on its judgment that he would be an appropriate resource for enhancing the Company's corporate value.

■ **Background and Positions and Duties at the Company**

- |               |  |
|---------------|--|
| April 1987    | Joined Nittaku Enterprise  |
| November 2000 | Managing Executive Officer, Nittaku Enterprise   |
| May 2005      | Managing Director, G&E Corporation   |
| June 2007     | President, G&E Corporation   |
| March 2010    | Representative Director and President, SOGO MEDIA INC.   |
| April 2016    | Joined FIELDS CORPORATION (currently TSUBURAYA FIELDS HOLDINGS INC., hereinafter, "the Company") as Corporate Officer, Division Manager, PS Business Management Division |
| June 2016     | Senior Managing Director; Division Manager, PS Business Management Division, the Company   |
|               | Director, SOGO MEDIA INC. (current position)   |
| April 2020    | Senior Managing Director, the Company  |
| April 2021    | Senior Managing Director, in charge of Group Business Strategy Division and Pachinko Parlors Sales Division, the Company   |
| June 2022     | Director, in charge of Group Business Strategy Division and Pachinko Parlors Sales Division, the Company   |
| October 2022  | Director, the Company  |
|               | Representative Director, FIELDS CORPORATION (current position)   |
| June 2024     | Senior Managing Director, the Company (current position)   |

■ **Important concurrent positions:**

- Representative Director, FIELDS CORPORATION  
Director, SOGO MEDIA INC.

Candidate  
No. 3

Masayuki Nagatake

Re-elected

Male

■ Date of birth

January 11, 1969

■ Number of Company shares held by the candidate

140,000 shares

■ Reason for Nominating the Candidate for Director

Mr. Masayuki Nagatake has been effective in carrying out his duties through his experience, accomplishments, and knowledge in business to consumer (BtoC) business and has been leading Tsuburaya Productions Co., Ltd., which is the core company of the Company Group, as President and COO thereof.

The Board of Directors nominates him as a candidate for Director based on its judgment that he would be an appropriate resource for the continuous improvement of the Company's corporate value.

■ Background and Positions and Duties at the Company

April 1991	Joined Nomura Asset Management Co., Ltd.
April 1999	Vice President, Goldman Sachs Japan Co., Ltd.
November 2001	General Manager, Finance and Accounting Department, FAST RETAILING CO., LTD.
April 2002	President, UNIQLO (U.K.) Ltd.
May 2009	Joined TOMY Company, Ltd.
July 2011	Executive Officer, TOMY Company, Ltd.
February 2016	President and Chief Operating Officer, TOMY International, Inc.
January 2018	Executive Officer; Head of President Office, TOMY Company, Ltd.
April 2019	Representative Director, President and COO, Tsuburaya Productions Co., Ltd. (current position)
June 2022	Director, the Company (current position)

■ Important concurrent positions:

Representative Director and President and COO, Tsuburaya Productions Co., Ltd.

Candidate  
No. 4

**Kenichi Ozawa**

Re-elected  
Male

- 
- |   |                   |
|---|-------------------|
| ■ <b>Date of birth</b>                                  | November 20, 1966 |
| ■ <b>Number of Company shares held by the candidate</b> | 115,000 shares    |
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■ **Reason for Nominating the Candidate for Director**

Mr. Kenichi Ozawa has been effective in playing an important role as a supervisor of the Company Group through his abundant experience in the accounting and finance field and high level of expertise in the managerial accounting field.

The Board of Directors nominates him as a candidate for Director based on its judgment that he would be an appropriate resource for reinforcing cooperation and performing the supervisory function among the Group management.

■ **Background and Positions and Duties at the Company**

- |                |   |
|----------------|---|
| April 1990     | Joined Saitama Bank, Ltd.   |
| May 2005       | Joined Mizuho Securities Co., Ltd.  |
| September 2006 | Joined Rakuten, Inc.  |
| October 2008   | General Manager, Accounting Division, Rakuten, Inc.   |
| January 2010   | Joined the Company as Deputy Division Manager, Planning and Administration Division   |
| April 2010     | Corporate Officer; Deputy Division Manager, Planning and Administration Division, the Company   |
| June 2014      | Managing Director, the Company  |
| May 2018       | Director; Group Management Strategy Division, the Company   |
| April 2019     | Director; Deputy Division Manager, Group Management Strategy Division, the Company  |
| April 2020     | Director; Division Manager, Group Management Strategy Division, the Company   |
| April 2021     | Director; Division Manager, Group Business Strategy Division, the Company   |
| June 2022      | Director, SPO Entertainment Inc. (current position)<br>Audit & Supervisory Board Member, Tsuburaya Productions Co., Ltd. (current position)<br>Audit & Supervisory Board Member, Digital Frontier Inc. (current position) |
| August 2022    | Director; Group CFO; Division Manager, Group Business Strategy Division; the Company  |
| October 2022   | Audit & Supervisory Board Member, FIELDS CORPORATION (current position)   |
| June 2024      | Director; Group CFO; Division Manager, Group Business Strategy Division; the Company (current position)   |
| February 2025  | Audit & Supervisory Board Member, ACE DENKEN Co., Ltd. (current position)   |

■ **Important concurrent positions:**

- Director, SPO Entertainment Inc. (Securities Code: 5620)
- Audit & Supervisory Board Member, FIELDS CORPORATION
- Audit & Supervisory Board Member, Tsuburaya Productions Co., Ltd.
- Audit & Supervisory Board Member, Digital Frontier Inc.
- Audit & Supervisory Board Member, ACE DENKEN Co., Ltd.

Candidate  
No. 5

**Kimie Morishita**

Outside  
Re-Elected  
Independent Officer  
Female

- 
- **Date of birth** August 18, 1967
  - **Number of Company shares held by the candidate** — shares
- 

■ **Reason for Nominating the Candidate for Outside Director and Expected Duties**

Ms. Kimie Morishita is well versed in communication strategy, branding, and PR fields both within and outside Japan, with a high level of knowledge and expertise based on her wealth of experience. Based on such experience and insight, she provides the Company with significant and helpful advice on the Company's management index from her independent position and professional perspective.

The Board of Directors has therefore nominated her as a candidate for Outside Director based on its judgment that she would be a resource for providing the Company Group with coaching and supervision in order to evolve its business.

■ **Background and Positions and Duties at the Company**

- April 1993      Joined DENTSU INC.
- September 2001      Joined McKinsey & Company Japan as an associate
- May 2003      Joined DENTSU INC.
- October 2016      Director of CEO Office, Dentsu Aegis Network China, DENTSU INC. (Shanghai)
- July 2018      General Manager, Dentsu Innovation Initiative – innovation intelligence, DENTSU INC.
- March 2019      General Manager, Global Business Center Network; General Manager, Network Solutions Department, DENTSU INC.
- April 2019      Director, Dentsu isobar Inc. (Part-time)  
Director, Carat Japan K.K. (Part-time)  
Director, iProspect Japan K.K. (Part-time)  
Director, Vizeum Japan K.K. (Part-time)
- January 2020      Director, dentsu X Japan Inc. (Part-time)
- June 2021      Joined Ryohin Keikaku Co., Ltd. as Executive Officer, in charge of PR & ESG Division, Open Communications Division, and Customer Relations Office
- June 2023      Outside Director (Audit and Supervisory Committee Member), SPARX Group Co., Ltd. (current position)  
Outside Auditor & Supervisory Board Member, SPARX Asset Management Co., Ltd. (current position)
- March 2024      Outside Director, Asahi Soft Drinks Co., Ltd. (current position)
- July 2024      Outside Director, the Company (current position)
- March 2025      Outside Director, YUDA Milk, Co., Ltd. (current position)

■ **Important concurrent positions:**

- Outside Director (Audit & Supervisory Committee Member), SPARX Group Co., Ltd. (Securities Code: 8739)
- Outside Director, Asahi Soft Drinks Co., Ltd.
- Outside Director, YUDA Milk, Co., Ltd.
- Outside Audit & Supervisory Board Member, SPARX Asset Management Co., Ltd.

- Note 1. The Company has no special interests with each of the candidates for Directors.
- Note 2. The matters concerning Ms. Kimie Morishita, a candidate for the Company's Director, are as follows:
- (1) Ms. Kimie Morishita is a candidate for an Outside Director. The Company has designated her as an Independent Officer prescribed by the Company and registered her as such with Tokyo Stock Exchange, Inc. Accordingly, if the reelection of Ms. Kimie Morishita is approved by the shareholders, the Company intends to re-designate her as an Independent Officer.
  - (2) Ms. Kimie Morishita is currently an Outside Director of the Company, and her term of office as an Outside Director will be eleven (11) months as of the closing of this Annual General Meeting of Shareholders.
  - (3) The Company has executed an agreement with her for limitation of liability under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum limit of the liability for damage under such agreement shall be either 3,000,000 yen or the minimum liability amount prescribed by the relevant laws and regulations, whichever is higher. In case of the reelection of Ms. Kimie Morishita is approved by the shareholders, the Company intends to continue such agreement, so that Ms. Kimie Morishita may continue to fully perform her expected duties as an Outside Director.
- Note 3. The Company has executed a directors' and officers' liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and a summary of the details thereof is as described in "Summary of Details of Directors' and Officers' Liability Insurance Contract" mentioned in "Other Matters Subject to Measures for Electronic Provision (matters omitted from the written materials)" included in the Measures for Electronic Provision. In case of the election of each candidate for Director, each of them will be included as insureds covered by such insurance contract. In addition, the Company intends to renew such insurance contract under the same conditions for the next renewal.

**Proposal 4: Election of Three (3) Directors who are Audit & Supervisory Committee Members**

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition into a Company with an Audit & Supervisory Committee. Accordingly, the Company hereby requests the shareholders to elect the three (3) Directors who are Audit & Supervisory Committee Members after the Company’s transition to a Company with an Audit & Supervisory Committee.

In order to ensure fairness and transparency, candidates for Directors who are Audit & Supervisory Committee Members are decided at a Board of Directors meeting, after inquiring this issue to the Group Nominating/Compensation Committee.

This Proposal 4 shall become effective under the condition that the amendments to the Articles of Incorporation become effective along with the approval and adoption of Proposal 2 “Partial Amendments to the Articles of Incorporation.”

The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

Candidate No.	Name		Position at the Company (as of April 1, 2025)	Status of Attendance at Board of Directors Meetings (Attendance Rate)	Status of Attendance at Audit & Supervisory Board Meetings (Attendance Rate)	Member of Group Nominating/ Compensation Committee
1 <span style="border: 1px solid black; padding: 1px;">Newly-elected</span>	Tetsuo Komori	<span style="border: 1px solid black; padding: 1px;">Outside</span> <span style="border: 1px solid black; padding: 1px;">Independent</span> <span style="border: 1px solid black; padding: 1px;">Officer</span> <span style="border: 1px solid black; padding: 1px;">Male</span>	Outside Director	11 / 12 (91.67%)	-	○
2 <span style="border: 1px solid black; padding: 1px;">Newly-elected</span>	Keiichi Maeda	<span style="border: 1px solid black; padding: 1px;">Outside</span> <span style="border: 1px solid black; padding: 1px;">Independent</span> <span style="border: 1px solid black; padding: 1px;">Officer</span> <span style="border: 1px solid black; padding: 1px;">Male</span>	Outside Director	12 / 12 (100%)	-	◎
3 <span style="border: 1px solid black; padding: 1px;">Newly-elected</span>	Kenichi Ikezawa	<span style="border: 1px solid black; padding: 1px;">Outside</span> <span style="border: 1px solid black; padding: 1px;">Independent</span> <span style="border: 1px solid black; padding: 1px;">Officer</span> <span style="border: 1px solid black; padding: 1px;">Male</span>	Outside Audit & Supervisory Board Member (Full-time)	12 / 12 (100%)	10 / 10 (100%)	-

(Note) The Group Nominating/Compensation Committee consists of four (4) members (including two (2) outside directors), with ◎ indicating the chair and ○ indicating the members.

Candidate  
No. 1

**Tetsuo Komori**

Outside  
Newly-elected  
Independent Officer  
Male

■ <b>Date of birth</b>	December 1, 1958
■ <b>Number of Company shares held by the candidate</b>	- shares

■ **Reason for Nominating the Candidate for Outside Director who is an Audit & Supervisory Committee Member and Expected Duties**

Mr. Tetsuo Komori has a high level of knowledge and expertise based on his superior vision and wealth of experience grounded on his involvement in the management of various companies. Bolstered by such experience and vision, he provides the Company with significant and helpful advice on the Company's management index from his independent position and diversified perspective.

In addition, as a member of the Group Nominating/Compensation Committee, he makes deliberations on officers' elections and removals from office, officers' compensation, etc. from his outside viewpoint, and promotes the establishment of a governance system with a high level of objectivity and transparency.

The Board of Directors has therefore nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member, based on its judgment that he would be a resource for providing the Company with appropriate coaching and supervision on the Company's management and business execution.

■ **Background and Positions and Duties at the Company**

April 1984	Joined McKinsey & Company
December 1993	Principal (Partner), McKinsey & Company
June 2002	Representative Director and President, ASCII CORPORATION
November 2003	Representative Director and Chairman, MediaLeaves, Inc.
June 2004	Management Advisor, Unison Capital Inc. Auditor, TOMOEGAWA CO., LTD.
June 2005	Outside Director, TOMOEGAWA CO., LTD.
February 2006	Director, Representative Executive Officer, President and CEO, Kanebo Ltd.
May 2006	Representative Director CEO and President Corporate Officer, Kanebo Trinity Holdings, Ltd. Representative Director, Kanebo Home Products, Ltd. Representative Director, Kanebo Pharma, Ltd. Representative Director, Kanebo Foods, Ltd.
August 2009	Management Advisor, Unison Capital, Inc.
March 2015	Outside Director, Nissen Holdings Co., Ltd.
October 2015	President and Representative Director, Ken Depot Corporation
June 2016	Outside Director (Chair of Audit & Supervisory Committee), TOMOEGAWA CO., LTD.
July 2021	Representative Director, CEO, K.K. Asian Personal Care Holding (currently FineToday Holdings Co., Ltd.) (current position) Representative Director, President and CEO, Fine Today Shiseido Co., Ltd. (currently FineToday Co., Ltd.) (current position)
June 2022	Outside Director, the Company (current position)

■ **Important concurrent positions:**

Representative Director, CEO, FineToday Holdings Co., Ltd.

Representative Director, President and CEO, FineToday Co., Ltd.

Candidate  
No. 2

Keiichi Maeda

Outside  
Newly-elected  
Independent Officer  
Male

■ <b>Date of birth</b>	July 6, 1957
■ <b>Number of Company shares held by the candidate</b>	- shares

■ **Reason for Nominating the Candidate for Outside Director who is an Audit & Supervisory Committee Member and Expected Duties**

In addition to his experience in corporate management, Mr. Keiichi Maeda is well versed in corporate governance, with a high level of knowledge and expertise based on his outstanding vision and wealth of experience. Bolstered by such experience and vision, he provides the Company with significant and helpful advice on the Company's management index from his independent position and professional perspective.

In addition, as Chair of the Group Nominating/Compensation Committee, he makes deliberations on officers' elections and removals from office, officers' compensation, etc., from his outside viewpoint and with his strong leadership, and promotes the establishment of a governance system with a high level of objectivity and transparency.

The Board of Directors has therefore nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member based on its judgment that he would be a resource for providing the Company with appropriate coaching and supervision on the Company's management and business execution.

■ **Background and Positions and Duties at the Company**

April 1982	Joined DENTSU INC.
July 1997	General Manager, Corporate Planning Office, DENTSU INC.
January 2002	Deputy Director-General, Corporate Planning Office, DENTSU INC.
June 2003	Deputy Director-General, Account Planning Solutions Bureau; General Manager, Campaign Planning Office, DENTSU INC.
April 2010	Director-General, Newspaper Bureau, DENTSU INC.
April 2013	Executive Officer; Assistant to Head of Domestic Business; Director-General, Business Administration Bureau, DENTSU INC.
January 2016	Executive Officer, in charge of Sales / Olympic Sales Promotion and Digital Sales Promotion, DENTSU INC.
January 2017	Representative Director and President, DENTSU LIVE INC. Executive Officer, in charge of Promotion Area, DENTSU INC.
January 2018	Executive Officer, in charge of internal audit, DENTSU INC.
January 2020	Executive Advisor, Dentsu Group Inc.
January 2021	President and Representative Director, K.K. Gakugeikai (current position)
June 2022	Outside Director, the Company (current position)

■ **Important concurrent positions:**

President and Representative Director, K.K. Gakugeikai

Candidate  
No. 3

**Kenichi Ikezawa**

Outside  
Newly-elected  
Independent Officer  
Male

- 
- |   |                  |
|---|------------------|
| ■ <b>Date of birth</b>                                  | December 4, 1947 |
| ■ <b>Number of Company shares held by the candidate</b> | 2,000 shares     |
- 

■ **Reason for Nominating the Candidate for Outside Director who is an Audit & Supervisory Committee Member**

Mr. Kenichi Ikezawa has been involved in accounting and finance practices for a considerably long period of time, and has sufficient knowledge concerning group internal control backed up by his knowledge and insights, etc. cultivated through his career. He also conducts business auditing and accounting auditing from an independent standpoint.

The Board of Directors has therefore nominated him as a candidate for an Outside Director who is an Audit & Supervisory Committee Member, considering that he would be able to continue to provide the Company with appropriate supervision over its management.

■ **Background and Positions and Duties at the Company**

- |                |   |
|----------------|---|
| April 1973     | Joined Sony Corporation   |
| April 1978     | Accounting and Financial Director, Sony France S.A.                                     |
| June 1988      | Senior Manager, Budget Section, Accounting Department, Sony Corporation                 |
| May 1990       | Accounting and Financial Director, Sony Corporation of America                          |
| May 1994       | Administrative Director, Sony Corporation of Hong Kong Limited.                         |
| September 1997 | General Manager, International Accounting Department, Sony Corporation                  |
| September 1998 | General Manager, Accounting Department, Sony Corporation                                |
| December 2000  | Joined Benesse Corporation as a General Manager of the Strategy and Planning Department |
| June 2001      | Joined Hermès Japon Co., Ltd. as a Corporate Officer, Administrative General Manager    |
| January 2009   | Joined Oki Data Corporation as an Advisor   |
| June 2012      | Outside Audit & Supervisory Board Member, the Company (current position)                |

■ **Important concurrent positions:**

N/A

Note 1. There are no special interests between the respective candidates for Directors and the Company.

Note 2. The matters concerning Mr. Tetsuo Komori, Mr. Keiichi Maeda, and Mr. Kenichi Ikezawa, candidates for the Company's Directors, are as follows:

- (1) Each candidate is a candidate for an Outside Director. The Company has designated them as Independent Officers prescribed by the Company and registered them as such with Tokyo Stock Exchange, Inc. Therefore, if their election is approved by the shareholders, the Company plans to re-designate them as Independent Officers.
  - (2) Mr. Tetsuo Komori and Mr. Keiichi Maeda are currently Outside Directors of the Company, and their terms of offices as Outside Directors of the Company will be three (3) years as of the closing of this Annual General Meeting of Shareholders.
  - (3) Mr. Kenichi Ikezawa is currently an Outside Audit & Supervisory Board Member of the Company, and his term of office as an Outside Audit & Supervisory Board Member of the Company will be thirteen (13) years as of the closing of this Annual General Meeting of Shareholders.
  - (4) The Company has executed an agreement with each of them for limitation of liability under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum limit of the liability for damage under such agreement shall be either 3,000,000 yen or the minimum liability amount prescribed by the relevant laws and regulations, whichever is higher. In the case of their election being approved, the Company intends to continue such agreement with Mr. Tetsuo Komori and Mr. Keiichi Maeda, and newly execute such agreement with Mr. Kenichi Ikezawa as a Director, so that they may continue to fully perform their expected duties as Outside Directors.
- (Note 3) The Company has executed a directors' and officers' liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and a summary of the details thereof is as described in "Summary of Details of Directors' and Officers' Liability Insurance Contract" mentioned in "Other Matters Subject to Measures for Electronic Provision (matters omitted from the written materials)" included in the Measures for Electronic Provision. In the case of the election of each candidate for a Director being approved, each of them will be included as insureds covered by such insurance contract. In addition, the Company intends to renew such insurance contract under the same conditions for the next renewal.

**(Reference)****Expertise and Experience of Directors (skill matrix)**

In the event of both Proposals 3 and 4 being fully approved by the shareholders as proposed, the Directors' skill matrix after the closing of this Annual General Meeting of Shareholders will be as follows.

In addition, in this matrix, only the items for which the Directors have particularly demonstrated their abilities are marked, and not all of the abilities of each Director are shown therein.

Positions at the Company	Name	Business Development and Corporate Management	Content Business	Global Business	Marketing	Digital Business	Finance and Accounting	Organization and Human Resources	Legal Affairs and Risk Management
Director	Hidetoshi Yamamoto	●	●					●	
Director	Ei Yoshida	●	●		●				
Director	Masayuki Nagatake	●		●	●				
Director	Kenichi Ozawa						●	●	●
Outside Director	Kimie Morishita				●	●			
Audit & Supervisory Committee Member Outside Director	Tetsuo Komori	●		●					
Audit & Supervisory Committee Member Outside Director	Keiichi Maeda							●	●
Audit & Supervisory Committee Member Outside Director	Kenichi Ikezawa						●		●

**Skill Definitions**

Skill	Definition
Business Development and Corporate Management	The skills to promote business development, and to propose and implement sustainable growth strategy making the best use of management resources within the Company Group
Content Business	The skill to optimize all processes of acquisition, planning and development, design, and production management through market expansion, in order to create the best content within the Company Group
Global Business	The skill to promote appropriate strategy for establishment, etc. of the business model, and organization, logistics, infrastructure and operation systems, in order to globally expand the Company Group's business
Marketing	The skill to contribute to enhancing the entire process of developing and designing the value that the Company Group provides to society, and to deliver such value to consumers in the optimal form
Digital Business	The skill to demonstrate appropriate leadership in the course of furthering the strategy to realize the creation of new value through the achievement of digital transformation (DX), innovation and the enhancement of productivity, by utilizing the knowledge and ability in the digital field within the Company Group
Finance and Accounting	The skill to promote appropriate strategies from the perspective of the finance, accounting and tax fields, in order to enhance the corporate value of the Company Group
Organization and Human Resources	The skill to promote continuous activity to achieve magnificent success through the implementation of constant organizational reform and human resource development, in order to enhance the corporate value of the Company Group
Legal Affairs and Risk Management	The skill to promote strategy pertaining to compliance and risk management, in order to sustainably enhance the corporate value of the Company Group

**Evaluation of Effectiveness of the Board of Directors (FY 2024)**

The Company implemented an evaluation of the effectiveness of the Board of Directors during the period from December 2024 to January 2025. Upon the implementation of such evaluation, the Company employed external professionals in order to ensure that the evaluation is performed from the objective perspective of third parties. The Company will take measures to address the issues arising from the evaluation results and thereby make efforts to improve the effectiveness of the Board of Directors.

**1. Evaluation Methods and Items**

The following items were evaluated through the analysis of the contents of minutes of several Board of Directors meetings held in the past and two instances of observation of the Board of Directors meetings by external professionals:

Evaluation Items	Structure of Board of Directors	<ul style="list-style-type: none"> <li>(1) Whether the number of members of the Board of Directors is appropriate;</li> <li>(2) Whether diversity (in terms of knowledge, experience, ability, gender, and other background) is properly ensured with respect to the members of the Board of Directors;</li> <li>(3) Whether the number and proportion of the Outside Directors are appropriate;</li> <li>(4) Whether the concurrent positions of the Outside Directors are appropriate; and</li> <li>(5) Whether the term of office of the Outside Directors is appropriate.</li> </ul>
	Operation of Board of Directors	<ul style="list-style-type: none"> <li>(1) Whether the selection of agenda items for the Board of Directors meetings is appropriate;</li> <li>(2) Whether the frequency of the holding of the Board of Directors meetings is appropriate;</li> <li>(3) Whether the materials of the Board of Directors meetings are appropriate in terms of the contents and volume thereof;</li> <li>(4) Whether the time for discussions at the Board of Directors meetings is adequate (i.e., whether the discussions are active and productive); and</li> <li>(5) Whether the atmosphere where the Directors and the Audit &amp; Supervisory Board Members can freely state their opinions (and Internal Directors actively listen to and accept the opinions of Outside Directors etc.) is ensured.</li> </ul>

**2. Evaluation Results**

As a result of the evaluation, it was confirmed that the Company’s Board of Directors has an appropriate structure as a whole and has been operated in an appropriate manner. On the other hand, it was also found that there is room for improving the effectiveness with respect to “the number of members of the Board of Directors,” “the term of office of the Outside Directors,” “the selection of agenda items for the Board of Directors meetings,” and “the materials of the Board of Directors meetings,” which are issues to be addressed.

**3. Matters to be Addressed**

Based on the above evaluation results, the Company will endeavor to improve the effectiveness of our Board of Directors by taking the following measures at Board of Directors meetings to be held in the future:

- (1) The Company will review the number and structure of the members of the Board of Directors and attempt to invigorate the discussions;
- (2) For the agenda items of Board of Directors meetings, the Company will select more matters related to the policies of the Company Group as a whole, in addition to business reports and sharing of actual results, and thereby promote examinations and decision making that will contribute to improvement of the corporate value in the mid to long term; and
- (3) The Company will ensure that the attendees of Board of Directors meetings can confirm the contents of the materials in advance before the holding of the Board of Directors meeting and thereby promote smooth examination and decision making on the date of such meeting.

**Proposal 5: Setting of Amount of Compensation for Directors (Excluding Directors who are Committee Members)**

While it was approved at the 26<sup>th</sup> Annual General Meeting of Shareholders of the Company held on June 18, 2014, that the amount of compensation, etc., for the Company's Directors shall be within 1,100,000,000 yen (including compensation for Outside Directors which was within 50,000,000 yen), if Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved and adopted as proposed, the Company will transition to a Company with an Audit & Supervisory Committee, and therefore the Company hereby requests the shareholders once again to approve that the amount of compensation, etc., for Directors (excluding Directors who are Audit & Supervisory Committee Member) after the transition shall be within 1,100,000,000 yen (including compensation for Outside Directors which shall be within 50,000,000 yen).

The Company's basic policy for determining the details of the compensation, etc. for each individual Director is as described in "Compensation, etc. for Directors and Audit & Supervisory Board Members" mentioned in "Reference Materials, Business Report, etc.," included in the Measures for Electronic Provision, and the Company plans to maintain the same policy after the Company's transition to a Company with an Audit & Supervisory Committee.

Such compensation, etc. shall not include the employee salaries for Directors who concurrently serve as employees.

If Proposal 2 "Partial Amendments to the Articles of Incorporation" and Proposal 3 "Election of Five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members)" are approved and adopted as proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be five (5) (including one (1) Outside Director).

This Proposal 5 shall become effective under the condition that the amendments to the Articles of Incorporation become effective along with the approval and adoption of Proposal 2 "Partial Amendments to the Articles of Incorporation".

**Proposal 6: Setting of Amount of Compensation for Directors who are Audit & Supervisory Committee Members**

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition to a Company with an Audit & Supervisory Committee, and therefore the Company hereby requests the shareholders to approve that, taking various matters into consideration, such as securing excellent human resources towards future and the recent economic situation, etc., the amount of compensation, etc., for Directors who are Audit & Supervisory Committee Members shall be within 100,000,000 yen.

The Company considers that the amount of compensation, etc. pertaining to this Proposal 6 is considerable, in light of the duties of the Directors who are Audit & Supervisory Committee Members.

If Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 4 “Election of Three (3) Directors who are Audit & Supervisory Committee Members” are approved and adopted as proposed, the number of Directors who are Audit & Supervisory Committee Members shall be three (3).

This Proposal 6 shall become effective under the condition that the amendments to the Articles of Incorporation become effective along with the approval and adoption of Proposal 2 “Partial Amendments to the Articles of Incorporation”.

End