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[Written Materials]

TSUBURAYA FIELDS HOLDINGS

36th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Reference Materials, Business Report, etc.

TSUBURAYA FIELDS HOLDINGS INC.

Securities code: 2767

- Other Measures for Electronic Provision (matters omitted from the written materials)
The following items are not contained in the written materials sent to the shareholders in accordance with the laws and regulations and the Company's Articles of Incorporation. Accordingly, the documents provided here are a subset 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

Matters regarding the Company's Officers

Outline of the contents of liability limitation agreements

Outline of the contents of Directors and Officers Liability Insurance contracts

Situation of the Accounting Auditor

Structure and policies of the Company

■ Consolidated Financial Statements, etc.

Consolidated statement of changes in equity

Notes to consolidated financial statements

Balance sheet

Statement of income

Non-consolidated statement of changes in equity

Notes to non-consolidated financial statements

■ Audit Report

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- **Reference Materials for Annual General Meeting of Shareholders**

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- **Proposal 1:** Disposition of Surplus

- **Proposal 2:** Election of Fourteen (14) Directors

- **Proposal 3:** Election of Three (3) Audit & Supervisory Board Members

- **Proposal 4:** Decision Regarding Restricted Stock Compensation for Directors (Excluding Outside Directors)

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 profits.

On the other hand, the Company believes that, in response to rapid changes in the marketplace, stabilizing its financial base from a medium-to-long-term perspective and prioritizing securing investment funds to increase earnings will lead to the greatest possible return for shareholders, including future increases in corporate value.

Therefore, the actual amount of dividends will be 40 yen per share (a 10-yen increase from the previous fiscal year), as the Company disclosed in the “Notice of Revision of Dividend Forecast (Dividend Increase)” dated February 9, 2024, and the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024” dated May 14, 2024.

Matters regarding year-end dividends:

1. Assets subject to dividend
Cash
2. Matters concerning allotment of dividend assets and their total amount
40 yen per common share of the Company
Total amount of dividend assets: 2,617,166,000 yen
3. Effective date of dividends of surplus
June 20, 2024

Proposal 2: Election of Fourteen (14) Directors

The terms of offices of all of the fourteen (14) Directors will expire as of the closing of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes that fourteen (14) Directors be elected.

The candidates for such positions are as follows:

Candidate No.	Name	Positions and Duties at the Company (as of April 1, 2024)	Gender	Status of Attendance at Meetings of Board of Directors	Member of Group's Nominating/ Compensation Committee
1 (Re-elected)	Hidetoshi Yamamoto	President and Group CEO	Male	11/11 (100%)	○
2 (Re-elected)	Takayuki Tsukagoshi	Senior Managing Director	Male	11/11 (100%)	○
3 (Re-elected)	Ei Yoshida	Director	Male	11/11 (100%)	-
4 (Re-elected)	Kenichi Ozawa	Director; Group CFO; Division Manager, Group Business Strategy Division	Male	11/11 (100%)	-
5 (Re-elected)	Takashi Yamamoto	Director; in Charge of Group Business Planning; Deputy Division Manager, Group Business Strategy Division	Male	11/11 (100%)	-
6 (Re-elected)	Masayuki Nagatake	Director	Male	11/11 (100%)	-
7 (Re-elected)	Yusaku Toyoshima	Director	Male	11/11 (100%)	-
8 (Re-elected)	Hiroyuki Yamanaka	Director; Division Manager, Headquarter Administration Division	Male	11/11 (100%)	
9 (Re-elected)	Shigesato Itoi (Outside, Independent Officer)	Outside Director	Male	11/11 (100%)	-
10 (Re-elected)	Yoriko Aelvoet	Director	Female	11/11 (100%)	-
11 (Re-elected)	Katsuya Shirai (Outside, Independent Officer)	Outside Director	Male	11/10 (90.91%)	-
12 (Re-elected)	Tetsuo Komori (Outside, Independent Officer)	Outside Director	Male	11/10 (100%)	○
13 (Re-elected)	Keiichi Maeda (Outside, Independent Officer)	Outside Director	Male	11/11 (100%)	◎
14 (Newly Elected)	Kimie Morishita (Outside, Independent)	-	Female	-	-

	Officer)				
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(Note) The Group's Nominating/Compensation Committee consists of four (4) members (including two (2) outside directors), with ☉ indicating the chairperson and ○ indicating the members.

Candidate
No. 1

Hidetoshi Yamamoto

Re-elected

■ Date of birth	October 29, 1955
■ Number of Company shares held by the candidate	17,750,000 shares

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

Mr. Hidetoshi Yamamoto, a founder of the Company, has been leading the business by directing 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 Nominating/Compensation Committee of the Group, he is contributing to strengthening the supervisory function of management by making appropriate proposals and answering questions regarding agenda items from the standpoint of representing the Company in its business execution.

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 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	Chairman and CEO, the Company
March 2012	Director and Chairman, BOOOM Corporation (current position)
May 2018	Chairman, President and Group CEO
June 2019	President, TOTAL Workout premium management Inc. (current position)
August 2022	President and Group CEO, the Company (current position)
October 2022	Director and Chairman, FIELDS CORPORATION (current position)

■ **Important concurrent positions:**

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

Candidate
No. 2

Takayuki Tsukagoshi

Re-elected

- | | |
|---|------------------|
| ■ Date of birth | October 24, 1962 |
| ■ Number of Company shares held by the candidate | - shares |

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

With his experience, accomplishments and knowledge in the contents business, Mr. Takayuki Tsukagoshi has been establishing and promoting current business models of TSUBURAYA PRODUCTIONS CO.,LTD., which is the core company of the Company Group, as the Representative Director and President thereof since 2017 and as the Representative Director and Chairman thereof since 2019.

In addition, as a member of the Group's Nominating/Compensation Committee, he will contribute to strengthening the supervisory function of management by appropriately making proposals and answering questions regarding agenda items from the standpoint of promoting the business.

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 among the Group management.

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

- | | |
|----------------|---|
| April 1986 | Joined Asahi Advertising Inc. |
| June 1991 | Joined Disney Home Video Japan (currently The Walt Disney Company (Japan) Ltd.) |
| May 1998 | General Manager, Sell-through Business Division, The Walt Disney Company (Japan) Ltd. |
| April 2000 | President, Buena Vista Home Entertainment Japan Inc. (currently The Walt Disney Company (Japan) Ltd.) |
| March 2008 | Director, The Tokuma Memorial Cultural Foundation for Animation (current position) |
| June 2008 | Chairman, DEG Japan (The Digital Entertainment Group Japan) |
| October 2009 | Committee Chairman, MPA (Motion Picture Association, Inc.)/JIMCA (Japan and International Motion Pictures Copyright Association, Inc.): APAC (Anti-Piracy Advisory Committee) |
| March 2010 | Senior Vice President and General Manager, Walt Disney Studio Japan |
| April 2015 | Standing Committee, EIRIN (Film Classification and Rating Organization) |
| September 2015 | Director, Japan Video Software Association |
| December 2015 | Vice Chairman, Japan Contents Group |
| July 2016 | Executive Producer, The Walt Disney Company (Japan) Ltd. |
| August 2017 | President and COO, TSUBURAYA PRODUCTIONS CO.,LTD. |
| November 2017 | Outside Director, Hobonichi Co., Ltd. (current position) |
| April 2019 | Chairman and CEO, TSUBURAYA PRODUCTIONS CO.,LTD. (current position) |
| June 2022 | Senior Managing Director, the Company |

■ **Important concurrent positions:**

- Chairman and CEO, TSUBURAYA PRODUCTIONS CO.,LTD.
- Outside Director, Hobonichi Co., Ltd. (Securities Code: 3560)
- Director, The Tokuma Memorial Cultural Foundation for Animation

Candidate
No. 3

Ei Yoshida

Re-elected

- | | |
|---|----------------|
| ■ Date of birth | May 5, 1962 |
| ■ Number of Company shares held by the candidate | 140,000 shares |

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

Mr. Ei Yoshida has abundant experience and high level of expertise in the Pachinko/Pachislot industry and has been effective in carrying out the duties of both promotion and supervision of the Pachinko/Pachislot business as the President and 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 reinforcing cooperation among the Group management.

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

- | | |
|---------------|--|
| April 1987 | Joined Nittaku Enterprise K.K. |
| November 2000 | Managing Executive Officer, Nittaku Enterprise K.K. |
| May 2005 | Managing Director, G&E Corporation |
| June 2007 | Representative Director and President, G&E Corporation |
| March 2010 | Representative Director and President, SOUGOU MEDIA INC. |
| April 2016 | Joined the Company as Corporate Officer; Division Manager, Pachinko/Pachislot Business Management Control Division, the Company |
| June 2016 | Senior Managing Director; Division Manager, Pachinko/Pachislot Business Management Control Division, the Company
Director, SOUGOU MEDIA INC. (current position) |
| June 2017 | Director, G&E Corporation (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 (current position)
Representative Director, FIELDS CORPORATION (current position) |

■ **Important concurrent positions:**

- Representative Director, FIELDS CORPORATION
- Director, SOUGOU MEDIA INC.
- Director, G&E Corporation

Candidate
No. 4

Kenichi Ozawa

Re-elected

- | | |
|---|-------------------|
| ■ Date of birth | November 20, 1966 |
| ■ Number of Company shares held by the candidate | 80,000 shares |

■ **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 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 among the Group management.

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

- | | |
|----------------|---|
| April 1990 | Joined Saitama Bank K.K. |
| 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 Management Strategy Division, the Company |
| June 2022 | Director, SPO Entertainment Inc. (current position)
Audit & Supervisory Board Member, TSUBURAYA PRODUCTIONS CO.,LTD. (current position)
Audit & Supervisory Board Member, Digital Frontier Inc. |
| August 2022 | Director; Group CFO; Division Manager, Group Business Strategy Division; the Company (current position) |
| October 2022 | Audit & Supervisory Board Member, FIELDS CORPORATION (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.

Candidate
No. 5

Takashi Yamamoto

Re-elected

- | | |
|---|------------------|
| ■ Date of birth | October 2, 1988 |
| ■ Number of Company shares held by the candidate | 7,225,600 shares |

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

Mr. Takashi Yamamoto has been involved in a wide range of businesses within the Company Group, exhibiting innovative ideas and strong leadership based on his diverse experience.

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

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

- | | |
|---------------|---|
| April 2012 | Joined BOOOM Corporation |
| April 2017 | Joined the Company |
| May 2017 | Planning Section, Products Department, PS Business Management Division, the Company |
| May 2018 | Section Manager, Marketing Section, Business Strategy Office, PS Business Management Division, the Company |
| April 2019 | General Manager, Media Relations Department, Business Management Division, the Company |
| April 2020 | General Manager, Media Solutions Department, Customer Relations Division, the Company |
| April 2021 | Corporate Officer; Deputy Division Manager, Group Business Management Strategy Division; General Manager, Group Business Planning Department, the Company |
| October 2021 | Corporate Officer ; Deputy Division Manager, Pachinko Parlor Sales Division; Deputy Division Manager, Group Business Management Strategy Division, the Company |
| June 2022 | Director; Deputy Division Manager, Pachinko Parlor Sales Division; Deputy Division Manager, Group Business Management Strategy Division, the Company |
| August 2022 | Director, in charge of Group Management Planning; Deputy Division Manager, Pachinko Parlor Sales Division; Deputy Division Manager, Group Business Management Strategy Division, the Company |
| October 2022 | Director, in charge of Group Management Planning; Deputy Division Manager, Group Business Management Strategy Division, the Company (current position); Senior Managing Director; Deputy Division Manager, Pachinko Parlor Sales Division, FIELDS CORPORATION |
| February 2023 | Senior Managing Director; Division Manager, Product Development Division, FIELDS CORPORATION (current position) |
| April 2023 | President and Representative Director, BOOOM Corporation (current position) |

■ **Important concurrent positions:**

President and Representative Director, BOOOM Corporation
Senior Managing Director; Division Manager, Product Development Division, FIELDS CORPORATION

Candidate
No. 6

Masayuki Nagatake

Re-elected

- | | |
|---|------------------|
| ■ Date of birth | January 11, 1969 |
| ■ Number of Company shares held by the candidate | 85,000 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 | President and COO, TSUBURAYA PRODUCTIONS CO.,LTD. (current position) |
| June 2022 | Director, the Company (current position) |

■ **Important concurrent positions:**

President and COO, TSUBURAYA PRODUCTIONS CO.,LTD.

Candidate
No. 7

Yusaku Toyoshima

Re-elected

-
- | | |
|---|-------------------|
| ■ Date of birth | December 20, 1969 |
| ■ Number of Company shares held by the candidate | - shares |
-

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

Mr. Yusaku Toyoshima has been involved in digital video production including computer graphics (CG) and visual effects (VFX) production for a considerably long period of time and has also been effective in carrying out his duties as the President of Digital Frontier Inc., by leading the production division of the said company which is the core company of the Company Group, as one of the founding members of the said company up until today.

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

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

September 1995	Joined T.Y.O. Inc. (currently, TYO Inc.)
October 2000	Joined Digital Frontier Inc.
October 2003	Director, Digital Frontier Inc.
April 2006	Director, GEMBA Inc. (current position)
June 2010	Senior Managing Director, Digital Frontier Inc.
July 2011	Director, DIGITAL FRONTIER (TAIWAN) INC. (current position)
June 2022	Director, the Company (current position) COO / President, Digital Frontier Inc. (current position)

■ **Important concurrent positions:**

COO / President, Digital Frontier Inc.
Director, DIGITAL FRONTIER (TAIWAN) INC.

Candidate
No. 8

Hiroyuki Yamanaka

Re-elected

- | | |
|---|-------------------|
| ■ Date of birth | December 23, 1967 |
| ■ Number of Company shares held by the candidate | 140,000 shares |

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

Mr. Hiroyuki Yamanaka has been effective in playing important roles and carrying out the duties of both management and supervision as a person in charge of the accounting and finance department, through his abundant experience and knowledge in the fields of accounting and finance.

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**

- | | |
|----------------|---|
| May 1989 | Joined the Company |
| April 2000 | Director; Division Manager, Administration Control Division, the Company |
| June 2006 | Director; Division Manager, Planning and Administration Control Division, the Company |
| September 2018 | Representative Director, LUCENT, INC. (current position) |
| April 2019 | Director; Division Manager, Administration Control Division; Division Manager, Administration Division, the Company |
| April 2020 | Director; Division Manager, Headquarter Administration Division, the Company (current position) |
| June 2022 | Audit & Supervisory Board Member, BOOOM Corporation (current position) |
| October 2022 | Managing Director; Division Manager, Administration Control Division, FIELDS CORPORATION (current position) |
| April 2024 | Auditor, MICRO CABIN INC. (current position) |

■ **Important concurrent positions:**

- Representative Director, LUCENT, Inc.
- Managing Director; Division Manager, Headquarter Administration Division, FIELDS CORPORATION
- Audit & Supervisory Board Member, BOOOM Corporation
- Audit & Supervisory Board Member, MICRO CABIN INC.

Candidate
No. 9

Shigesato Itoi

Re-elected
Outside
Independent Officer

- | | |
|---|-------------------|
| ■ Date of birth | November 10, 1948 |
| ■ Number of Company shares held by the candidate | 160,000 shares |

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

Mr. Shigesato Itoi has a broad range of achievements, abundant experience and original ideas as a corporate manager, copy-writer and essayist. Backed up with such experience and ideas, he has been providing the Company with significant and helpful advice on its creativity and management index from his independent position and diversified perspective.

The Board of Directors nominates him as a candidate for Outside Director, based on its judgment that he would be a resource for providing the Company with appropriate coaching and supervision on its management and business execution.

It should be noted that his term of office as an Outside Director will reach twenty-three (23) years as of the closing of this Annual General Meeting of Shareholders.

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

December 1979	Representative Director at the time of incorporation, Tokyo Itoi Shigesato Office Inc. (currently, Hobonichi Co., Ltd.) (current position)
June 2001	Outside Director, the Company (current position)

■ **Important concurrent positions:**

Representative Director and President, Hobonichi Co., Ltd. (Securities Code: 3560)

Candidate
No. 10

Yoriko Aelvoet

Re-elected

Female Officer

■ **Date of birth**

February 26, 1962

■ **Number of Company shares held by the candidate**

- shares

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

Ms. Yoriko Aelvoet has been involved in the contents business for a considerably long period of time, and has a high level of expertise and knowledge based on her strong managerial accomplishments and abundant experience. Backed up with such experience and knowledge, she has been providing the Company with significant and helpful advice on its creativity and management index from her independent position and diversified perspective.

The Board of Directors nominates her as a candidate for Outside Director, based on its judgment that she would be a resource for providing the Company with appropriate coaching and supervision on its management and business execution.

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

April 1984	Joined Mainichi Communications Inc. (currently, Mynavi Corporation)
September 1986	Joined Procter & Gamble Far East Inc. (currently, The P&G Japan Limited)
September 1989	Joined Buena Vista Home Entertainment Inc. (currently, The Walt Disney Company (Japan) Ltd.) Served as Marketing Director, etc.,
October 2001	Walt Disney International Japan Ltd. (currently, The Walt Disney Company (Japan) Ltd.), Representative in Japan and Vice President, Disney Publishing Worldwide
November 2005	Vice President, Warner Japan Entertainment Inc (currently, Warner Bros. Japan LLC) and Representative in Japan & Korea, Warner Bros. Consumer Products
December 2015	Representative Director, Bottega Tigre Inc. (current position)
June 2018	Outside Audit & Supervisory Board Member, the Company
June 2020	Outside Director, the Company
June 2022	Director, the Company (current position)
November 2023	Outside Director, Transaction Co., Ltd. (current position)

■ **Important concurrent positions:**

Representative Director, Bottega Tigre Inc.

Outside Director, Transaction Co., Ltd. (Securities Code: 7818)

Candidate
No. 11

Katsuya Shirai

Re-elected
Outside
Independent Officer

-
- **Date of birth** September 8, 1942
 - **Number of Company shares held by the candidate** - shares
-

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

Mr. Katsuya Shirai has abundant experience, extensive knowledge and network in the company management and contents business. Backed up with such experience and knowledge, he has been providing the Company with significant and helpful advice on its creativity and management index from his independent position and diversified perspective.

The Board of Directors nominates him as a candidate for Outside Director based on its judgment that he would be a resource for providing the Company with coaching and supervision on its management and business execution.

It should be noted that his term of office as an Outside Director will reach two (2) years as of the closing of this Annual General Meeting of Shareholders.

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

April 1968	Joined SHOGAKUKAN Inc.
May 1981	Founded “Big Comics Spirits” as its Chief Editor
May 1994	Director, SHOGAKUKAN Inc.
May 1999	Managing Director, SHOGAKUKAN Inc.
May 2001	Senior Managing Director, SHOGAKUKAN Inc.
May 2009	Director and Vice President, SHOGAKUKAN Inc.
May 2014	Chief advisor, SHOGAKUKAN Inc.
June 2016	President and representative director, HERO’S INC. (current position)
June 2022	Outside Director, the Company (current position)

■ **Important concurrent positions:**

President and representative director, HERO’S INC.

Candidate
No. 12

Tetsuo Komori

Re-elected
Outside
Independent Officer

■ **Date of birth** December 1, 1958
■ **Number of Company shares held by the candidate** - shares

■ **Reason for Nominating the Candidate for Outside Director 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 various companies' management. 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's 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, 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. Moreover, in the event of his election, the Board of Directors expects that he will continue to be a member of such Committee.

It should be noted that his term of office as an Outside Director will reach two (2) years as of the closing of this Annual General Meeting of Shareholders.

■ **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. (currently, TOMOEGAWA CORPORATION)
June 2005	Outside Director, TOMOEGAWA CO., LTD.
February 2006	Director, Representative Executive Officer, President and CEO, Kanebo Ltd. (currently, Kracie Holdings, Ltd.)
May 2006	Representative Director CEO and President Corporate Officer, Kanebo Trinity Holdings, Ltd. (currently, Kracie Holdings, Ltd.) Representative Director, Kanebo Home Products, Ltd. (currently, Kracie Home Products, Ltd.) Representative Director, Kanebo Pharma, Ltd. (currently, Kracie Pharma, Ltd.) Representative Director, Kanebo Foods, Ltd. (currently, Kracie 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. (currently, TOMOEGAWA CORPORATION) (current position)
July 2021	Representative Director and President CEO, K.K. Asian Personal Care Holding (currently FineToday Holdings Co., Ltd.) (current position) Representative Director 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 and President CEO, FineToday Holdings Co., Ltd.

Representative Director CEO, FineToday Co., Ltd.

Outside Director (Chair of the Audit and Supervisory Committee), TOMOEGAWA CORPORATION (Securities Code: 3878)

Candidate
No. 13

Keiichi Maeda

Re-elected
Outside
Independent Officer

- | | |
|---|--------------|
| ■ Date of birth | July 6, 1957 |
| ■ Number of Company shares held by the candidate | - shares |

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

In addition to his experience in corporate management, Mr. Keiichi Maeda is well versed in the promotion and digital fields, 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 diversified 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 based on its judgment that he would be a resource for providing the Company with coaching and supervision on the Company's management and business execution. Moreover, in the event of his election, the Board of Directors expects that he will continue to be involved in such Committee.

It should be noted that his term of office as an Outside Director will reach two (2) years as of the closing of this Annual General Meeting of Shareholders.

■ **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 | Corporate Officer; Assistant to Head of Domestic Business; Director-General, Business Administration Bureau, DENTSU INC. |
| January 2016 | Corporate Officer, in charge of Sales / Olympic Sales Promotion and Digital Sales Promotion, DENTSU INC. |
| January 2017 | Representative Director and President, DENTSU LIVE INC. Corporate Officer, in charge of Promotion Area, 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. 14

Kimie Morishita

Newly Elected
Outside
Independent Officer
Female Officer

-
- | | |
|---|-----------------|
| ■ 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.

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 from her independent position and professional perspective backed up with her tremendous experience and knowledge.

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

- | | |
|----------------|--|
| April 1993 | Joined DENTSU INC. |
| June 2001 | Completed a course at Kellogg School of Management, Northwestern University |
| September 2001 | Joined McKinsey & Company Japan as associate |
| May 2003 | Joined DENTSU INC. |
| April 2012 | Director, Dentsu Aegis Network Division, 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., Executive Officer, in charge of PR & ESG Division, Open Communications Division, and Customer Relations Office |
| June 2022 | Director, Public Interest Incorporated Foundation Japan-United States Educational Exchange Promotion Foundation (current position) |
| June 2023 | Outside Director (Audit and Supervisory Committee Member), SPARX Group Co., Ltd. (current position)
Outside Director (Audit and Supervisory Committee Member), Auditor, SPARX Asset Management Co., Ltd. (current position) |
| July 2023 | Advisor, Raysum Co., Ltd. |
| March 2024 | Outside Director, Asahi Soft Drinks Co., Ltd. (current position) |

■ **Important concurrent positions:**

- Outside Director (Audit and Supervisory Committee Member), SPARX Group Co., Ltd. (Securities Code: 8739)
Outside Director, Asahi Soft Drinks Co., Ltd.
Auditor, SPARX Asset Management Co., Ltd.
Advisor, Raysum Co., Ltd.

Director, Public Interest Incorporated Foundation Japan-United States Educational
Exchange Promotion Foundation

- Note 1. The matters concerning the special interests with each of the candidates for Directors, are as follows:
- (1) The Company has funds transactions with Tsuburaya Productions Co., Ltd., at which Mr. Takayuki Tsukagoshi, a candidate for Director of the Company, is Chairman and CEO, Mr. Kenichi Ozawa, a candidate for Director of the Company, is an Audit & Supervisory Board Member, and Mr. Masayuki Nagatake, a candidate for Director of the Company, is President and COO.
 - (2) The Company has no special interests with any of the candidates listed above, other than each of the candidates mentioned in (1) above.
- Note 2. The matters concerning Mr. Shigesato Itoi, Mr. Katsuya Shirai, and Mr. Keiichi Maeda, candidates for Directors of the Company, are as follows:
- (1) Mr. Itoi, Mr. Shirai and Mr. Maeda are candidates for Outside Director. The Company has designated each of them as an Independent Officer prescribed by the Company and has registered each of them as such with Tokyo Stock Exchange, Inc. Therefore, if the reelection of each candidate is approved by the shareholders, the Company plans to re-designate each of them as an Independent Officer.
 - (2) Each of them has been an Outside Director of the Company, and 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 such candidate's reelection being approved, the Company intends to renew the aforementioned agreement, so that each of them may continue to fully perform their expected duties as an Outside Director.
- Note 3. The matters concerning Ms. Kimie Morishita, a candidate for the Company's Director, are as follows:
- (1) Ms. Kimie Morishita is a candidate to become an Outside Director. If her election is approved by the shareholders, the Company plans to designate her as an Independent Officer prescribed by the Company and register her with Tokyo Stock Exchange, Inc.
 - (2) If the election of Ms. Kimie Morishita is approved by the shareholders, the Company intends to execute 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, so that she may continue to fully perform her expected duties as an Outside Director. The maximum limit of the liability for damage under such agreement is scheduled to be either 3,000,000 yen or the minimum liability amount prescribed by the relevant laws and regulations, whichever is higher.
 - (3) If the election of Ms. Kimie Morishita is approved by the shareholders, since the Company has obtained her consent to assume such office as of July 1, 2024, she is scheduled to assume the office as of the said date.
- Note 4. 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" in "Other 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 Director being approved, each of them will be included as persons to be covered by such insurance. In addition, the Company intends to renew such insurance contract under the same conditions for the next renewal.

Expertise and Experience of Directors (skill matrix)

In the event of Proposal 2 being 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 and Duties 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
President and Group CEO	Hidetoshi Yamamoto	●						●	
Senior Managing Director	Takayuki Tsukagoshi		●		●				
Director	Ei Yoshida	●			●				
Director; Group CFO; Division Manager, Group Business Management Strategy Division	Kenichi Ozawa						●	●	
Director; in Charge of Group Management Planning; Deputy Division Manager, Group Business Management Strategy Division	Takashi Yamamoto		●			●			
Director	Masayuki Nagatake	●		●					
Director	Yusaku Toyoshima		●			●			
Director; Division Manager, Administration Control Division	Hiroyuki Yamanaka						●		●
Outside Director	Shigesato Itoi		●					●	
Director	Yoriko Aelvoet			●	●				
Outside Director	Katsuya Shirai		●						●
Outside Director	Tetsuo Komori	●		●					
Outside Director	Keiichi Maeda							●	●
Outside Director	Kimie Morishita				●	●			

Skill Matrix of the Directors

The Company considers that human resources are the clear reason for and source of enhancing the corporate value of Tsuburaya Fields Holdings Inc. and its group companies (the “**Company Group**”), and the Board of Directors and its advisory board, the Group’s Nominating/Compensation Committee, give regular consideration to the image of the human resources required for the business and management of each company forming the Company Group. Through such consideration, the skills which the Company’s

Directors should be equipped with have been decided as follows:

Skill	Definition of Skill
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 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 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

Proposal 3: Election of Three (3) Audit & Supervisory Board Members

As of the closing of this Annual General Meeting of Shareholders, the term of office of all three (3) Audit & Supervisory Board Members will expire. Accordingly, we propose that three (3) Audit & Supervisory Board Members be elected.

The Company has obtained the consent of the Audit & Supervisory Board regarding this proposal.

The candidates to become Audit & Supervisory Board Members are as follows:

Candidate No.	Name	Position at the Company (as of April 1, 2024)	Gender	Status of Attendance at Meetings of Audit & Supervisory Board (Attendance Rate)	Status of Attendance at Meetings of Board of Directors (Attendance Rate)
1 (Re-elected)	Kenichi Ikezawa (Outside) (Independent Officer)	Outside Audit & Supervisory Board Member (Full-time)	Male	8/8 (100%)	11/11 (100%)
2 (Re-elected)	Yoshika Furuta (Outside) (Independent Officer)	Outside Audit & Supervisory Board Member	Male	8/8 (100%)	9/11 (81.82%)
3 (Re-elected)	Masakazu Kurihara	Audit & Supervisory Board Member	Male	7/8 (87.50%)	10/11 (90.91%)

Candidate
No. 1

Kenichi Ikezawa

Re-elected
Outside
Independent Officer

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

■ **Reason for Nominating the Candidate for Outside Audit & Supervisory Board**

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, and the Board of Directors has therefore nominated him as a candidate to become the Company's Outside Audit & Supervisory Board Member, considering that he would be able to continue to conduct business auditing and accounting auditing, as well as provide advice to the Company's management, from an independent standpoint.

It should be noted that his term of office as the Company's Outside Audit & Supervisory Board Member will reach twelve (12) years as of the closing of this Annual General Meeting of Shareholders.

■ **Background and Positions 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) |

Candidate
No. 2

Yoshika Furuta

Re-elected
Outside
Independent Officer

-
- **Date of birth** December 10, 1942
 - **Number of Company shares held by the candidate** - shares
-

■ **Reason for Nominating the Candidate for Outside Audit & Supervisory Board**

Member

Mr. Yoshika Furuta has a wealthdepth of experience in national tax practice, and the Board of Directors has therefore nominated him as a candidate to become an Outside Audit & Supervisory Board Member, considering that he would be able to continue to conduct business auditing and accounting auditing, as well as provide advice to the Company's management, from an independent standpoint.

It should be noted that his term of office as the Company's Outside Audit & Supervisory Board Member will reach twenty-one (21) years as of the closing of this Annual General Meeting of Shareholders.

■ **Background and Positions at the Company**

- July 1980 Chief Clerk, Trial Section 1, Direct Tax Department, National Tax Agency
- July 1990 Special Officer for Research on Tax, Coordination Division, Tax Bureau, Ministry of Finance
- July 1995 Appeals Judge, National Tax Tribunal
- July 1999 Deputy Assistant Regional Commissioner, First Taxation Department, Tokyo Regional Taxation Bureau
- July 2000 District Director, Kyobashi Tax Office
- August 2001 Chief, Yoshika Furuta Certified Public Tax Accountant Office (current position)
- June 2003 Outside Audit & Supervisory Board Member, the Company (current position)

■ **Important concurrent positions:**

Chief, Yoshika Furuta Certified Public Tax Accountant Office

Candidate
No. 3

Masakazu Kurihara

Re-elected

- | | |
|---|------------------|
| ■ Date of birth | January 12, 1960 |
| ■ Number of Company shares held by the candidate | - shares |

■ **Reason for Nominating the Candidate for Audit & Supervisory Board Member**

The Board of Directors has nominated Mr. Masakazu Kurihara as a candidate to become the Company's Audit & Supervisory Board Member, considering that the utilization of his experience as a manager as well as his abundant experience and wide range of knowledge regarding the contents business and IP business strategy for business audits will lead to the enhancement of the Company's auditing.

■ **Background and Positions at the Company**

- | | |
|----------------|--|
| April 1983 | Joined System Communications, Inc. |
| October 1987 | Joined Dentsu Inc. |
| May 2007 | Joined the Company as an Executive Officer; Division Manager, Communications and Marketing Division |
| June 2008 | Director; Division Manager, Product Division, the Company |
| April 2010 | Managing Director; Division Manager, Development Division, the Company |
| April 2011 | Managing Director; Division Manager, Contents Division, the Company |
| April 2014 | Managing Director, the Company |
| May 2018 | Director; Group Management Strategy Division, the Company |
| April 2019 | Director; Division Manager, Group Management Strategy Control Division and Strategy Planning Division, the Company |
| April 2020 | Director, the Company |
| June 2020 | Audit & Supervisory Board Member, the Company (current position) |
| September 2020 | Representative Director and President, K.K. K & Partners (current position) |
| March 2024 | Outside Director (Audit and Supervisory Committee Member), Mynet Inc. (current position) |

■ **Important concurrent positions:**

- Representative Director and President, K.K. K & Partners
- Outside Director (Audit and Supervisory Committee Member), Mynet Inc. (Securities Code: 3928)

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

Note 2. The matters concerning Mr. Kenichi Ikezawa and Mr. Yoshika Furuta, a candidate to become the Company's Audit & Supervisory Board Members, are as follows:

- (1) Both candidates are candidates to become Outside Audit & Supervisory Board Members. The Company has designated them as Independent Officers and has registered them as such with the Tokyo Stock Exchange, Inc. Therefore, if their reelection is approved by the shareholders, the Company plans to re-designate them as Independent Officers.
- (2) Both candidates are currently Outside Audit & Supervisory Board Members of the Company, and 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 reelection being approved, the Company intends to renew the aforementioned agreement so that they may continue to fully perform their expected duties as Outside Audit & Supervisory Board Members.

Note 3. Mr. Kurihara is a candidate to become the Company's Audit & Supervisory Board Member, and the Company has executed an agreement with him 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 his reelection being approved, the Company intends to renew the aforementioned agreement so that he may fully perform his expected duties as an Audit & Supervisory Board Member.

Note 4. 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" set forth in "Other 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 Audit & Supervisory Board Member being approved, each of them will be included as persons to be covered by such insurance. In addition, the Company intends to renew such insurance contract under the same conditions for the next renewal.

Proposal 4: Decision Regarding Restricted Stock Compensation for Directors (Excluding Outside Directors)

At the 26th Annual General Meeting of Shareholders of the Company held on June 18, 2014, it was approved that the amount of the compensation, etc., for the current Directors of the Company would be within the maximum annual compensation amount of not more than 1,100,000,000 yen (including not more than 50,000,000 yen for Outside Directors), and at the 35th Annual General Meeting of Shareholders of the Company held on June 21, 2023, it was approved that the share acquisition rights would be allotted as stock options within the scope of the aforementioned amount of compensation of the Directors and that the maximum number of each Share Option to be allotted each business year would be 1,160 units (including 52 units for the Outside Directors) (and the number of shares to be delivered upon the exercise of such share acquisition rights would be 116,000 shares, including 5,200 shares for Outside Directors).

For the purpose of more strongly incentivizing the Company's Directors (excluding Outside Directors; hereinafter, the "Eligible Directors") to contribute to improving the mid- and long-term performance and to sustainably improving corporate value, as well as further enhancing value sharing with shareholders over the long term, the Company wishes to allot the Company's common stock that will be subject to a certain transfer restriction period and to provisions concerning the grounds, etc. for the Company to acquire the same without consideration (the "Restricted Stock") as set forth below.

Accordingly, after having taken various matters into comprehensive consideration, including the contribution of the Eligible Directors to the Company, the Company hereby asks the shareholders to approve that monetary compensation claims appropriated to be paid for the Restricted Stock, added to the monetary compensation (fixed compensation) and monetary compensation claims granted to be paid for the stock options, will be granted to the Eligible Directors within the scope of the aforementioned amount of compensation for the Directors. The specific period of granting and allotment to each Eligible Director will be determined by the Board of Directors.

Based on a resolution of the Board of Directors, the Eligible Directors shall contribute all of the monetary compensation claims granted in accordance with this Proposal to the Company in the form of property contributed in-kind. Shares of the Company's common stock will be issued or disposed of to each Eligible Director, thereby causing the total number of shares of the Company's common stock to be issued or disposed of not to exceed 240,000 shares in any given year.

The Company has decided to allot the Restricted Stock to its Directors after having taken various matters into comprehensive consideration, including the contributions of the Eligible Directors to the Company, and the Company considers the contents thereof to be reasonable since the ratio of the Maximum Total Number of Shares of Restricted Stock to be allotted each business year as set forth in Section 2 below, out of the total number of issued and outstanding shares, is approximately 0.35%, thereby showing only a minor dilution rate.

The Company currently has fourteen (14) Directors (including five (5) Outside Director), and such number of Directors will remain as fourteen (14) Directors (including five (5) Outside Directors) if Proposal 2 is approved as proposed. Therefore, the number of Eligible Directors will be nine (9).

Specific Contents and Maximum Total Number of Shares of Restricted Stock Compensation to Eligible Directors

1. Allotment of and Payment for Restricted Stock

Based on a resolution of the Board of Directors, the Company will grant monetary compensation claims to the Eligible Directors, as the compensation, etc., for the Restricted Stock, within the scope of the aforementioned maximum compensation amount. The Restricted Stock will be allotted to each Eligible Director as a result of all of such Eligible Director's monetary compensation claims being contributed to the Company in the form of property contributed in-kind.

The amount to be paid for the Restricted Stock will be determined by the Board of Directors, within a scope constituting an amount that is not particularly favorable to the Director subscribing for the relevant Restricted Stock, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of a resolution by the Board of Directors concerning the

issuance or disposal of such Restricted Stock (or, if no trading takes place on such immediately preceding business day, based on the closing price on the most recent trading day prior thereto).

In addition, the aforementioned monetary compensation claims will be granted to the Eligible Directors subject to their consent to the aforementioned in-kind contribution, and their execution of a restricted stock allotment agreement with the Company which contains the terms set forth in Section 3 below.

2. Maximum Total Number of Shares of Restricted Stock

The maximum total number of shares of Restricted Stock to be allotted each business year will be the 240,000 shares of the Restricted Stock allottable to the Eligible Directors. While the monetary compensation claims to be granted under this Plan will be granted in a lump sum in the first year during the period of providing services as consideration for providing services over the period of three (3) business years, since it is assumed that the Restricted Stock will be allotted as a result of all of such Eligible Directors' monetary compensation claims being contributed to the Company in the form of property contributed in-kind, the actual total number of shares of Restricted Stock to be allotted per one (1) business year for such grant shall not exceed 80,000 shares.

However, if the Company conducts a stock split (including, without limitation, an allotment of common stock without consideration) or a reverse stock split of its common stock or if any adjustment to the total number of shares of Restricted Stock to be allotted must otherwise be made in a manner similar to any of the foregoing circumstances, on or after the date of the resolution concerning this Proposal 4, the Company shall be entitled to reasonably adjust the total number of shares of Restricted Stock.

3. Terms of Restricted Stock Allotment Agreement

In the event of any allotment of the Restricted Stock, based on a resolution of the Board of Directors, a restricted stock allotment agreement ("Allotment Agreement") to be entered into between the Company and each relevant Director to whom the Restricted Stock is allotted shall contain the following terms:

(1) Contents of Transfer Restriction

A Director receiving the allotment of Restricted Stock shall not be permitted to transfer, pledge, mortgage, provide as an *inter vivos* or testamentary gift, or otherwise dispose of the Restricted Stock allotted to him/her pursuant to the relevant Allotment Agreement (the "Allotted Shares") to any third party for a period from the date of delivery of the Restricted Stock to the date of resignation, retirement, or being terminated from all of his/her Director or Executive Officer positions at the Company and its subsidiaries (such period, the "Transfer Restriction Period") (such restriction, the "Transfer Restriction").

(2) Company's Acquisition of Allotted Shares Without Consideration

If any Director receiving the allotment of Restricted Stock resigns, retires or is terminated from all of his/her Director and Executive Officer positions at the Company and its subsidiaries after the commencement date of the relevant Transfer Restriction Period and before the date immediately preceding the date of holding the Annual General Meeting of Shareholders of the Company relating to the business year falling two business years after the commencement date of the Transfer Restriction Period, the Company will naturally acquire the Allotted Shares pertaining to such Eligible Director without consideration, unless there is any reason which the Board of Directors considers to be justifiable.

Furthermore, if, as of the expiration of the Transfer Restriction Period specified in (1) above, the Transfer Restriction for any of the Allotted Shares has not been lifted in accordance with the provisions concerning the grounds for lifting the Transfer Restriction as set forth in (3) below, the Company will naturally acquire such Allotted Shares without consideration.

(3) Lifting of Transfer Restriction

Provided that the Director receiving the allotment of Restricted Stock has continuously held the relevant Director or Executive Officer position at the Company or its subsidiaries until the date of holding the Annual General Meeting of Shareholders of the Company relating to the business year falling two business years after the commencement date of the Transfer Restriction Period, the Company will lift the Transfer Restriction for all of the Allotted Shares as of the expiration of the Transfer Restriction Period.

However, if such Eligible Director resigns, retires or is terminated from all of his/her Director and Executive

Officer positions at the Company and its subsidiaries after the commencement date of the relevant Transfer Restriction Period and before the date immediately preceding the date of holding the Annual General Meeting of Shareholders of the Company relating to the business year falling two business years after the commencement date of the Transfer Restriction Period for any reason which the Board of Directors considers to be justifiable, the number of the Allotted Shares regarding which the Transfer Restriction is to be lifted and the timing for lifting such Transfer Restriction will be reasonably adjusted as necessary.

(4) Handling in the Event of Organizational Restructuring or Other Similar Circumstances

If, during the Transfer Restriction Period, a proposal for: (i) any merger agreement under which the Company is to become an absorbed company; (ii) any stock-for-stock exchange agreement or stock transfer plan under which the Company is to become a wholly-owned subsidiary, or (iii) any other organizational restructuring, etc., is approved by the Company's General Meeting of Shareholders (or by the Board of Directors, if the approval of the Company's General Meeting of Shareholders is not required for such organizational restructuring, etc.), then the Company will, based on a resolution of the Board of Directors, lift the Transfer Restriction before the effective date of such organizational restructuring, etc., for the number of the Allotted Shares reasonably determined in view of the period from the commencement date of the Transfer Restriction Period until the date of approval of such organizational restructuring, etc.

In such case, immediately after the lifting of the Transfer Restriction in accordance with the above provisions, the Company will naturally acquire the Allotted Shares regarding which the Transfer Restriction has not been lifted, without consideration.