

September 3, 2021

To Our Shareholders:

Yoshikazu Tanaka, Chairman and CEO

**GREE, Inc.**

10-1, Roppongi 6-Chome, Minato-ku, Tokyo, Japan

## **Notice of the 17th Ordinary General Meeting of Shareholders**

You are cordially informed of the 17th Ordinary General Meeting of Shareholders of GREE, Inc. (the “Company”) to be held as described below.

This General Meeting of Shareholders will be one convened without specified location (a so-called virtual-only shareholders’ meeting), based on Article 3, paragraph (1) of the Supplementary Provisions of the Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts (Act No. 70 of 2021). In addition, if you will not attend the meeting on the meeting date, or even if you will attend the meeting on the meeting date, you may exercise your voting rights in advance via the Internet or in writing in preparation for any communication problems; we kindly request that you review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights no later than 18:30 on Monday, September 27, 2021.

**1. Date and Time:** Tuesday, September 28, 2021 at 14:00 (JST)

\*Access will be available from 13:30.

**2. Method of Convening the Meeting:**

This will be a General Meeting of Shareholders without specified location (a so-called virtual-only shareholders’ meeting).

Please attend the Meeting through our designated website.

\*There is no specified venue as it will be held completely online.

**3. Agenda:**

**Matters to be Reported:**

1. The Business Report and the Consolidated Financial Statements for the 17th fiscal year (from July 1, 2020 to June 30, 2021), and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 17th fiscal year (from July 1, 2020 to June 30, 2021)

**Matters to be Resolved:**

- Proposal No. 1:** Election of Nine Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 2:** Determination of the Details of Share Acquisition Rights as Market-Capitalization-Linked Stock Options for Directors (Limited to Senior Vice Presidents)

**4. Decision Matters Upon Convening**

- (1) The method of communication used to send and receive information in the proceedings of the General Meeting of Shareholders shall be via the Internet.
- (2) If shareholders who have exercised their voting rights in advance via the Internet or by postal mail attend the General Meeting of Shareholders and exercise their voting rights more than once, the vote placed at the General Meeting of Shareholders shall be treated as valid. If voting rights are not exercised at the General Meeting of Shareholders, the vote placed in advance via the Internet or by postal mail shall be treated as valid.

**[Exercising voting rights via the Internet]**

Please access the e-vote website (<https://evote.tr.mufg.jp/>) for exercising voting rights from your personal computer, smartphone, or mobile phone, using the Login ID and temporary Password provided on the enclosed voting form. Then, enter your approval or disapproval of each proposal following the online instructions, upon having examined either the attached Reference Documents for General Meeting of Shareholders or the Reference Documents for General Meeting of Shareholders posted to the e-vote website for exercising voting rights.

**[Exercising voting rights by postal mail]**

Please review the attached Reference Documents for General Meeting of Shareholders and indicate your approval or disapproval of each proposal on the enclosed voting form, and return it to us.

- 
- 
- If any changes are made to items in the Reference Documents for General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements or the Consolidated Financial Statements, such changes will be posted to our website (\*).
  - Upon conclusion of this General Meeting of Shareholders, results of resolutions thereof shall be posted to our website (\*), in lieu of sending written notice of resolutions.
  - If you exercise your voting rights both by the e-vote website and postal mail, ONLY the vote placed via the e-vote website shall be deemed effective.
  - If you exercise your voting rights more than once via the e-vote website, ONLY the last vote shall be deemed effective.
  - If the proceedings of this General Meeting of Shareholders are significantly hindered due to communication problems, etc., since the Chairman can decide to postpone or continue the General Meeting of Shareholders, a resolution to that effect will be made at the beginning of the General Meeting of Shareholders. If the Chairman decides to postpone or continue a meeting based on said resolution, we will promptly inform you to that effect on our website (\*) as well as the date and time of the rescheduled or continued meeting. Any other changes to the administration of the General Meeting of Shareholders will also be published on our website (\*).
  - The Company has posted the Notice of Convocation of the General Meeting of Shareholders, its attached documents, and the Reference Documents for General Meeting of Shareholders on our website (\*), and based on laws and regulations and the provisions of Article 18 of the Company's Articles of Incorporation, the following items are not provided within the Notice of Convocation. Therefore, the attached documents of the Notice of Convocation are the Business Report, Consolidated and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee when preparing the audit report, and part of the Consolidated and Non-consolidated Financial Statements audited by the Independent Auditor when preparing the independent audit report.

◆The following items in the Business Report

- Share Acquisition Rights, etc. of the Company
- Issues to Be Addressed
- Status of Independent Auditor
- Overview of System to Ensure Appropriate Business Operations and Operational Status Thereof
- Policy Regarding the Determination of Dividends of Surplus, etc.

◆The following items in the Consolidated Financial Statements

- Consolidated Statement of Comprehensive Income (Reference)
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows (Reference)
- Notes to Consolidated Financial Statements

◆The following items in the Non-consolidated Financial Statements

- Non-consolidated Balance Sheet
- Non-consolidated Statement of Income
- Non-consolidated Statement of Changes in Equity
- Notes to Non-consolidated Financial Statements
- Independent audit report on Non-consolidated Financial Statements

\* Our website

URL: <https://corp.gree.net/jp/ja/ir/stock/meeting.html>

\*Note: These documents are available in Japanese only.

## Reference Documents for General Meeting of Shareholders

### **Proposal No. 1: Election of Nine Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)**

At the conclusion of this meeting, the terms of office of all nine Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire. Therefore, the Company proposes the election of nine Directors (excluding Directors who are Audit and Supervisory Committee Members) including two Outside Directors. The candidates for Director (excluding Directors who are Audit and Supervisory Committee Members) are as follows: The Audit and Supervisory Committee confirmed the decision policy, rationale and deliberation process regarding candidates for Director deliberated by the Nomination Review Meeting, which is an advisory body consisting of two Outside Directors, one Outside Director who is an Audit and Supervisory Committee Member, two Directors, and one Director who is Chairman, President and CEO, for a total of six members. As a result, without objections, we have determined that each candidate is suitable as a Director (excluding Directors who are Audit and Supervisory Committee Members).

Candidate No.	Name	Current position and responsibility in the Company	Candidate Attributes
1	Yoshikazu Tanaka	Chairman, President and CEO, and Officer in charge of Advertising and Media Business	<u>Reappointed</u>
2	Masaki Fujimoto	Senior Vice President, Chief Technology Officer, and Officer in charge of Development	<u>Reappointed</u>
3	Toshiki Oya	Senior Vice President, Chief Financial Officer, Officer in charge of Corporate Affairs, and Officer in charge of Investment and Incubation Business	<u>Reappointed</u>
4	Eiji Araki	Senior Vice President and Officer in charge of the Wright Flyer Studios Business and REALITY Business	<u>Reappointed</u>
5	Sanku Shino	Senior Vice President and Officer in charge of GREE Entertainment Business	<u>Reappointed</u>
6	Yuta Maeda	Senior Vice President and Officer in charge of Pokelabo and Asia Businesses	<u>Reappointed</u>
7	Kotaro Yamagishi	Director	<u>Reappointed</u>
8	Takeshi Natsuno	Outside Director	<u>Reappointed</u> <u>Outside</u> <u>Independent</u>
9	Kazunobu Iijima	Outside Director	<u>Reappointed</u> <u>Outside</u> <u>Independent</u>

- Notes:
1. Candidate Yoshikazu Tanaka is of the parent company, etc. as stipulated in Article 2, item (iv)-2 of the Companies Act. There is no special interest between any other candidates and the Company.
  2. Takeshi Natsuno and Kazunobu Iijima are candidates for Outside Director.
  3. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, which covers losses such as damage claims and litigation costs

incurred by the insured. However, there are certain reasons for coverage exclusion, such as losses caused by performance of an illegal act with full knowledge of its illegality are not covered. If this proposal is approved as originally proposed and each candidate is reappointed, each candidate will be included as an insured in said insurance policy and the policy is scheduled to be renewed during their terms of office.

4. The Company has entered into agreements with Kotaro Yamagishi, Takeshi Natsuno and Kazunobu Iijima to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of the liability for damages based on such agreements shall be the amount prescribed in laws and regulations. If the reappointment of Kotaro Yamagishi, Takeshi Natsuno and Kazunobu Iijima is approved, the Company plans to renew the aforementioned agreements with them.
5. DLE Inc., where Takeshi Natsuno served as Outside Director, was found to have engaged in inappropriate accounting treatment in the settlement of accounts of prior fiscal years, and the Annual Securities Report, etc. were corrected on December 3, 2018. Based on this, they received the designation of “Securities on Alert” from Tokyo Stock Exchange, Inc. on December 28 of that same year, and received surcharge payment orders from the Financial Services Agency on April 18, 2019. He was unaware of such improprieties until they came to light, but he has appropriately executed his duties through measures such as continuously making helpful recommendations from the viewpoint of legal compliance as a wide-ranging manager and expressing opinions regarding measures to prevent recurrence after this incident came to light.

Candidate No.			Number of the Company's shares owned	
1	Yoshikazu Tanaka	February 18, 1977	112,266,353 shares	Reappointed

#### **Career summary, position and responsibility in the Company**

Apr. 1999	Joined Sony Communication Network Corporation (currently Sony Network Communications Inc.)
Feb. 2000	Joined Rakuten, Inc. (currently Rakuten Group, Inc.)
Dec. 2004	Founded the Company, and became President and CEO
Nov. 2013	President and CEO and Head of New Businesses of the Company
Mar. 2014	President and CEO and Head of Commerce and Media Business of the Company
Sep. 2014	President and CEO of the Company
Sep. 2014	Chairman, President and CEO of the Company
Oct. 2016	Chairman, President and CEO, and Officer in charge of new business areas of the Company
Mar. 2017	Chairman, President and CEO, and Officer in charge of Advertising and Media Business of the Company
Oct. 2019	Chairman, President and CEO, and Officer in charge of Advertising and Media Business of the Company (Current Position)

#### **Reasons for nomination as candidate for Director**

As the Company's founder, Yoshikazu Tanaka has been contributing to the development of the Company forward over many years with high-level management decisions particularly in terms of developing GREE into one of the largest browser gaming platforms in Japan, drawing on his abundant experience and extensive insight with respect to Internet services overall. In addition, since March 2017, he has been managing the advertising and media business, where strategic development continues as one pillar of the Company's business, and he has constantly driven the Company to take on new challenges. The Company has nominated him as a candidate for Director upon having accordingly deemed that he is indispensable in realizing the Company's corporate mission of "Making the world a better place through the power of the Internet," and in adequately enabling the Company to sustainably increase its corporate value.

Candidate No.			Number of the Company's shares owned	
2	Masaki Fujimoto	February 17, 1979	2,450,309 shares	Reappointed

#### Career summary, position and responsibility in the Company

Apr. 2001	Joined Astra the Studio, Inc.
Jan. 2003	Joined Tunebiz Co., Ltd.
Jun. 2005	Director of the Company
Aug. 2010	Vice President, Chief Technology Officer, and Head of Platform Development of the Company
Jul. 2011	Vice President, Chief Technology Officer, and Head of Development of the Company
Sep. 2012	Senior Vice President, Chief Technology Officer, and Head of Development of the Company
Nov. 2013	Senior Vice President, Chief Technology Officer, and Head of Development Division of the Company
Oct. 2015	Senior Vice President, Chief Technology Officer, and Officer in charge of Development of the Company
Oct. 2016	Senior Vice President, Chief Technology Officer, and Officer in charge of Development and Human Resources of the Company
Mar. 2017	Director of funplex, Inc. (currently GREE Entertainment, Inc.)
Sep. 2017	Senior Vice President, Chief Technology Officer, and Officer in charge of Development and Human Resources of the Company
Apr. 2019	Senior Vice President, Chief Technology Officer, and Officer in charge of Development of the Company
Oct. 2019	Senior Vice President, Chief Technology Officer, and Officer in charge of Development of the Company (Current Position)

#### Reasons for nomination as candidate for Director

Masaki Fujimoto has been engaged in development units from the beginning since founding, including building GREE's system platform, contributing to the development of the Company as an Internet service company. He has abundant experience and high-level extensive insight in all aspects of technology, and the Company expects that he will continue to contribute to expansion of the Company's business as Chief Technology Officer. In addition, from July 2021, he has been in charge of GREE platform business, and the Company expects that he will contribute to maintaining and improving the value of said business. The Company has nominated him as a candidate for Director upon having accordingly deemed that he is indispensable in realizing the Company's corporate mission of "Making the world a better place through the power of the Internet," and in adequately enabling the Company to sustainably increase its corporate value.

Candidate No.			Number of the Company's shares owned	
3	Toshiki Oya	December 16, 1969	179,111 shares	Reappointed

#### **Career summary, position and responsibility in the Company**

Apr. 1992	Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)
Mar. 1994	Registered as Certified Public Accountant
Oct. 1999	Joined Softbank Investment Co., Ltd. (currently SBI Holdings, Inc.)
Feb. 2003	Joined Yahoo Japan Corporation (currently Z Holdings Corporation)
Jun. 2005	Director of Creo Co., Ltd.
Apr. 2011	Representative Director of Creo Co., Ltd.
Apr. 2012	Chief Financial Officer of Yahoo Japan Corporation (currently Z Holdings Corporation)
Jun. 2014	Director and Chief Financial Officer of Yahoo Japan Corporation (currently Z Holdings Corporation)
Jun. 2015	Vice President and Chief Financial Officer of Yahoo Japan Corporation (currently Z Holdings Corporation)
Apr. 2018	Senior Advisor to Chairman of Yahoo Japan Corporation (currently Z Holdings Corporation)
Sep. 2018	Director of the Company
Sep. 2018	Director of Pokelabo, Inc. (Current Position)
Oct. 2018	Senior Vice President and Officer in charge of Corporate Affairs of the Company
May 2019	Director of funplex, Inc. (currently GREE Entertainment, Inc.) (Current Position)
Oct. 2019	Senior Vice President, Chief Financial Officer, and Officer in charge of Corporate Affairs of the Company
Feb. 2020	Director of WFS, Inc. (Current Position)
Jul. 2021	Senior Vice President, Chief Financial Officer, Officer in charge of Corporate Affairs, and Officer in charge of Investment and Incubation Business of the Company (Current Position)

#### **Significant concurrent positions outside the Company**

Director of Pokelabo, Inc.

Director of WFS, Inc.

Director of GREE Entertainment, Inc.

#### **Reasons for nomination as candidate for Director**

Toshiki Oya served as chief financial officer of a major Internet company and representative director of an affiliate company, has abundant experience and extensive insight with respect to the Internet business and corporate business overall, and since 2018 he has contributed to the sound development of the Company's business as an Executive Officer in charge of Corporate Affairs. In addition, from July 2021, he has served as the Executive Officer in charge of investment and incubation business, and the Company expects that he will contribute to the enhancement of corporate value. The Company has nominated him as a candidate for Director upon having accordingly deemed that he is capable of adequately enabling the Company to sustainably increase its corporate value.



Candidate No.			Number of the Company's shares owned	
4	Eiji Araki	July 15, 1982	394,509 shares	Reappointed

#### **Career summary, position and responsibility in the Company**

May 2001	Joined Neuron Co., Ltd. (currently United, Inc.)
Dec. 2002	Director of Neuron Co., Ltd. (currently United, Inc.)
Aug. 2004	Joined Fractalist Inc. (currently United, Inc.)
Aug. 2005	Joined the Company
Sep. 2010	General Manager of Social Network Business, Media Development Division of the Company
Jul. 2011	General Manager of Media Development, North America Division of the Company
Sep. 2013	Vice President and General Manager of Native Game Business, Native Game Division of the Company
Nov. 2013	Vice President and Head of Native Game Business, Native Game Headquarters of the Company
Feb. 2014	President and CEO of Wright Flyer Studios, Inc. (currently WFS, Inc.)
Sep. 2014	Vice President and Head of the Japan Game Business of the Company
Oct. 2015	Vice President and Officer in charge of the Japan Game Business of the Company
Jan. 2016	Vice President and Officer in charge of the Wright Flyer Studios Business of the Company
Sep. 2017	Senior Vice President and Officer in charge of the Wright Flyer Studios Business of the Company
Apr. 2018	President and CEO of Wright Flyer Live Entertainment, Inc. (currently REALITY, Inc.) (Current Position)
Jul. 2018	Senior Vice President and Officer in charge of the Wright Flyer Business of the Company
Oct. 2019	Senior Vice President and Officer in charge of the Wright Flyer Business of the Company
Jul. 2020	Director of WFS, Inc. (Current Position)
Oct. 2020	Senior Vice President and Officer in charge of the Wright Flyer Studios Business and REALITY Business of the Company (Current Position)

#### **Significant concurrent positions outside the Company**

President and CEO of REALITY, Inc.

Director of WFS, Inc.

#### **Reasons for nomination as candidate for Director**

Since joining the Company, Eiji Araki has gained abundant experience and extensive insight with respect to the worldwide gaming business overall, having successively been in charge of operations that include the browser game business in Japan and the app game business worldwide. In addition, the metaverse business, for which he has been engaged as the manager in charge since 2018, has contributed to the development of the Company, with steady business results such as acquisition of overseas users and achievement of turning profitable on a single month basis. We will continue to aim to expand said business as one of the pillars of the Company's business. The Company has nominated him as a candidate for Director upon having accordingly deemed that he is capable of adequately enabling the Company to sustainably increase its corporate value.

Candidate No.			Number of the Company's shares owned	
5	Sanku Shino	November 27, 1974	234,247 shares	Reappointed

#### **Career summary, position and responsibility in the Company**

Apr. 2000	Joined Hakuhold Inc.
Nov. 2008	Joined the Company
Jan. 2009	General Manager of Marketing of the Company
Jul. 2009	Executive Officer and General Manager of Marketing of the Company
Aug. 2010	Executive Officer and Head of Marketing of the Company
Apr. 2011	Executive Officer and Head of Marketing Division of the Company
Sep. 2013	Vice President and Head of Marketing Division of the Company
Nov. 2013	Vice President and Head of Web Game Business, Web Game Headquarters of the Company
Sep. 2014	Vice President and Deputy Head of the Japan Game Business of the Company
Oct. 2015	Vice President and Officer in charge of the Japan Game Business of the Company
Oct. 2015	Director of funplex, Inc. (currently GREE Entertainment, Inc.)
Sep. 2017	Senior Vice President and Officer in charge of the Japan Game Business of the Company
Oct. 2019	Senior Vice President and Officer in charge of the Japan Game Business of the Company
Feb. 2020	Director of Pokelabo, Inc. (Current Position)
Feb. 2020	Director of WFS, Inc. (Current Position)
Jul. 2021	Senior Vice President and Officer in charge of GREE Entertainment Business of the Company (Current Position)
Jul. 2021	President and CEO of GREE Entertainment, Inc. (Current Position)

#### **Significant concurrent positions outside the Company**

Director of Pokelabo, Inc.

Director of WFS, Inc.

President and CEO of GREE Entertainment, Inc.

#### **Reasons for nomination as candidate for Director**

Since joining the Company, Sanku Shino has been engaged in gaming business, which is the pillar of the Company's business and the largest profit-contribution business, and he has abundant experience and extensive insight with respect to the gaming business overall. In addition, from July 2021, he has served as Representative Director of GREE Entertainment, Inc., which inherited a part of the business of GREE, Inc. through an absorption-type company split, and the Company expects that he will continue to contribute to the development of IP production business and gaming business. The Company has nominated him as a candidate for Director upon having accordingly deemed that he is capable of adequately enabling the Company to sustainably increase its corporate value.

Candidate No.			Number of the Company's shares owned	
6	Yuta Maeda	July 26, 1982	203,566 shares	Reappointed

#### **Career summary, position and responsibility in the Company**

Apr. 2006	Joined JAFCO Co., Ltd.
Jul. 2009	Joined Pokelabo, Inc. (currently Mynet Games Inc.)
Dec. 2011	CEO of Pokelabo, Inc. (currently Mynet Games Inc.)
Nov. 2012	Joined the Company
Dec. 2012	General Manager of Pokelabo Business, Media Division of the Company
Aug. 2013	General Manager of Pokelabo Business, Native Game Division of the Company
Sep. 2013	Vice President and General Manager of Pokelabo Business, Native Game Division of the Company
Nov. 2013	Vice President and General Manager of Pokelabo Business, Native Game Division, Native Game Headquarters of the Company
Sep. 2014	Vice President and Head of Pokelabo and Asia Businesses of the Company
Oct. 2015	Vice President and Officer in charge of Pokelabo and Asia Businesses of the Company
Apr. 2016	President and CEO of Pokelabo, Inc. (Current Position)
Sep. 2017	Senior Vice President and Officer in charge of Pokelabo and Asia Businesses of the Company
Apr. 2019	Director of WFS, Inc. (Current Position)
Oct. 2019	Senior Vice President and Officer in charge of Pokelabo and Asia Businesses of the Company (Current Position)
Apr. 2020	Director of funplex, Inc. (currently GREE Entertainment, Inc.) (Current Position)

#### **Significant concurrent positions outside the Company**

President and CEO of Pokelabo, Inc.

Director of WFS, Inc.

Director of GREE Entertainment, Inc.

#### **Reasons for nomination as candidate for Director**

In addition to his background and track record gained through employment in the venture capital field, Yuta Maeda has abundant experience and extensive insight with respect to the gaming business overall, having engaged in alliances and the app game business since joining the Company. In addition, as Representative Director of Pokelabo, Inc., a subsidiary of the Company, he has been serving since 2011 before acquisition by the Company, and the Company expects that he will continue to contribute to the development of the Group through his experience as a corporate representative and the business growth of the subsidiary. The Company has nominated him as a candidate for Director upon having accordingly deemed that he is capable of adequately enabling the Company to sustainably increase its corporate value.

Candidate No.			Number of the Company's shares owned	
7	Kotaro Yamagishi	April 7, 1976	939,500 shares	Reappointed

#### **Career summary, position and responsibility in the Company**

Apr. 1999	Joined Nikkei Business Publications, Inc.
Jan. 2003	Joined CNET Networks Japan (currently Asahi Interactive, Inc.)
Dec. 2004	Director and Executive Vice President of the Company
Aug. 2010	Director, Executive Officer, Executive Vice President, and Head of Media Planning of the Company
Dec. 2010	Director, Executive Officer, Executive Vice President, Head of Social Applications and Head of Media Planning of the Company
Jul. 2011	Director, Executive Officer, Executive Vice President, and Head of Business Strategy of the Company
Jul. 2013	Director, Executive Officer, Executive Vice President, Head of Business Strategy and Head of Media of the Company
Nov. 2013	Director, Executive Officer, Executive Vice President, and Head of Web Game Headquarters of the Company
Sep. 2014	Director, Executive Officer, Executive Vice President of the Company
Sep. 2014	Director and Vice Chairman of the Company
Sep. 2015	Director of the Company (Current Position)
Dec. 2015	CEO of Keio Innovation Initiative, Inc. (Current Position)

#### **Significant concurrent positions outside the Company**

CEO of Keio Innovation Initiative, Inc.

#### **Reasons for nomination as candidate for Director**

Kotaro Yamagishi has abundant experience and extensive insight with respect to Internet services overall, having served as Executive Vice President and Vice Chairman subsequent to the Company's founding. As a non-executive Director, he furnishes advice and recommendations on the overall management of the Company from the perspective of providing oversight regarding Directors in their execution of business. The Company has nominated him as a candidate for Director upon having accordingly deemed that he is capable of adequately enabling the Company to sustainably increase its corporate value.

Candidate No.			Number of the Company's shares owned			
8	Takeshi Natsuno	March 17, 1965	9,253 shares	Reappointed	Outside	Independent

#### Career summary, position and responsibility in the Company

Apr. 1988	Joined Tokyo Gas Co., Ltd.
Jun. 1996	Director and Vice President of Hypernet Corporation
Sep. 1997	Joined NTT Mobile Network, Inc. (currently NTT Docomo, Inc.)
Jun. 2005	Executive Director and General Manager of Multimedia Service Division of NTT Docomo, Inc.
May 2008	Guest Professor, Keio University Graduate School of Media and Governance (Current Position)
Jun. 2008	Outside Director of Sega Sammy Holdings Inc.
Jun. 2008	Director of PIA Corporation
Jun. 2008	Outside Director of transcosmos inc. (Current Position)
Jun. 2008	Outside Director of SBI Holdings, Inc.
Jun. 2008	Director of NTT Resonant Incorporated
Dec. 2008	Director of DWANGO Co., Ltd.
Jun. 2009	Outside Director of DLE Inc.
Sep. 2009	Outside Director of the Company (Current Position)
Dec. 2010	Outside Director of U-NEXT Co., Ltd. (currently USEN-NEXT HOLDINGS Co., Ltd.) (Current Position)
Jun. 2013	Outside Director of Trender, Inc.
Oct. 2014	Director of KADOKAWA DWANGO CORPORATION (currently KADOKAWA CORPORATION)
Aug. 2016	Outside Director of Oracle Corporation Japan (Current Position)
Jun. 2017	Outside Director of AWS Holdings, Inc. (currently UbiCom Holdings, Inc.)
Jun. 2018	Chairman and Representative Director of Movie Walker Co., Ltd.
Oct. 2018	Director of BOOK WALKER Co., Ltd.
Feb. 2019	President of DWANGO Co., Ltd. (Current Position)
Jun. 2021	Representative Director and President of KADOKAWA CORPORATION (Current Position)

#### Significant concurrent positions outside the Company

Guest Professor, Keio University Graduate School of Media and Governance

Outside Director of transcosmos inc.

Representative Director and President of DWANGO Co., Ltd.

Outside Director of USEN-NEXT HOLDINGS Co., Ltd.

Outside Director of Oracle Corporation Japan

Representative Director and President of KADOKAWA CORPORATION

**Reasons for nomination as candidate for Outside Director**

Takeshi Natsuno has abundant experience with respect to the telecommunications and Internet industry, and makes full use of his broad and deep knowledge, such as by serving in teaching roles in the same field. In order to realize the sustainable improvement of corporate value of the Company, he has been nominated as a candidate for Outside Director with the expectation that he will continue to provide advice and recommendations from an objective standpoint at the Board of Directors, particularly regarding business and management overall and also at the Nomination Review Meeting and the Remuneration Review Meeting. At the conclusion of this meeting, his tenure as Outside Director of the Company will have been 12 years.

**Independence of the candidate**

Takeshi Natsuno accords with standards stipulated by the Tokyo Stock Exchange and satisfies the Criteria for Independence of Outside Officers<sup>(Note)</sup> set forth by the Company. The Company has accordingly submitted notification to the Tokyo Stock Exchange that he has been designated as an independent officer, and he will continue to act as an independent officer if his reappointment gains approval.

Note: Takeshi Natsuno is concurrently serving as director of KADOKAWA CORPORATION, which is a business partner of the Company. However, during the most recent fiscal year, the amount of transactions with the aforementioned company relative to the net sales of the Company and the amount of transactions with the Company relative to the net sales of the aforementioned company were less than 1%. Additionally, in the past he was involved in the execution of business of NTT Docomo, Inc., which is a major business partner of the Company, but he is currently not involved in the execution of business of the aforementioned company. The amount of transactions with the Company relative to the net sales of the aforementioned company were less than 1%. 13 years have passed since he retired as executive officer of the aforementioned company.

Candidate No.			Number of the Company's shares owned			
9	Kazunobu Iijima	January 4, 1947	–	Reappointed	Outside	Independent

### Career summary, position and responsibility in the Company

Apr. 1972	Joined Mitsubishi Corporation
Apr. 1995	General Manager of Media Broadcasting Department of Mitsubishi Corporation
May 1997	Joined Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.)
Jun. 2001	Executive Officer, Executive Director of Corporate Planning Department of Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.)
Jun. 2004	Outside Director of WOWOW Inc.
Jun. 2006	Executive Managing Director, Executive Director of Corporate Planning Department of Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.)
Apr. 2007	Director of SKY Perfect JSAT Corporation (currently SKY Perfect JSAT Holdings Inc.)
Jun. 2007	Senior Executive Managing Director of Fuji Television Network, Inc. (currently Fuji Media Holdings, Inc.)
Oct. 2008	Senior Executive Managing Director of Fuji Television Network, Inc.
Jun. 2012	President & CEO of The Sankei Building Co., Ltd. (Current Position)
Sep. 2012	Outside Director of the Company (Current Position)
Nov. 2013	Representative Director and Chairman of Cool Japan Fund Inc.
Jun. 2017	Director and Chairman of Cool Japan Fund Inc.

### Significant concurrent positions outside the Company

President & CEO of The Sankei Building Co., Ltd.

### Reasons for nomination as candidate for Outside Director

Having served as the Director of media business companies in the past, Kazunobu Iijima has abundant experience and extensive insight with regard to that industry and corporate management. In order to realize the sustainable improvement of corporate value of the Company, he has been nominated as a candidate for Outside Director with the expectation that he will continue to provide advice and recommendations from an objective standpoint at the Board of Directors, particularly regarding business and management overall and also at the Nomination Review Meeting and the Remuneration Review Meeting. At the conclusion of this meeting, his tenure as Outside Director of the Company will have been 9 years.

### Independence of the candidate

Kazunobu Iijima accords with standards stipulated by the Tokyo Stock Exchange and satisfies the Criteria for Independence of Outside Officers set forth by the Company. The Company has accordingly submitted notification to the Tokyo Stock Exchange that he has been designated as an independent officer, and he will continue to act as an independent officer if his reappointment gains approval.

Note: In the past Kazunobu Iijima was involved in the execution of business of Fuji Television Network, Inc., which is a business partner of the Company, but he is currently not involved in the execution of business of the aforementioned company. The amount of transactions with the Company relative to the net sales of the aforementioned company were less than 1%. 9 years have passed since he retired as senior executive managing director of the aforementioned company.



## **Proposal No. 2: Determination of the Details of Share Acquisition Rights as Market-Capitalization-Linked Stock Options for Directors (Limited to Senior Vice Presidents)**

### **I Reasons for the proposal and reasons for justifying such remuneration**

Aiming to enhance business performance and increase corporate value over the medium to long term, the Company has introduced stock compensation-type stock options to further increase motivation and morale and foster a high degree of solidarity among the Company's Directors by having them share with shareholders not only the benefits derived from the rising share price, but also the risk associated with the decline in share price. In addition to this, for the purpose of further raising incentive to increase the total amount of future value, the Company requests that approval be granted for the amount of remuneration, etc. relating to share acquisition rights as stock options for the Company's Directors (Senior Vice Presidents excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter in this proposal "Eligible Directors") and specific details of the share acquisition rights.

The Audit and Supervisory Committee has provided confirmation concerning this proposal, which was deliberated by the Remuneration Review Meeting, comprising two Outside Directors, one Director who is an Audit and Supervisory Committee Member, two Directors, and one Director who is Chairman, President and CEO, in terms of the decision policy, rationale, and the deliberation process. As a result, the Company believes that the remuneration plan and the levels of remuneration for Directors are appropriate.

Moreover, the overview of the details of the policy on making decisions on content of individual remuneration, etc. for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) is as stated on page 36 of the Business Report (available only in Japanese). Subject to this proposal's approval, those details will change to as stated on page 20 of this document below. This policy sets forth necessary and reasonable details that reflect the aforementioned policy and the Company deems it to be appropriate.

### **II Details of proposal (amount and details of remuneration, etc. under the Plan)**

#### **1. Amount of remuneration, etc. regarding share acquisition rights as stock options**

At the 16th Ordinary General Meeting of Shareholders held on September 29, 2020, the amount of monetary compensation for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) was approved to be ¥500 million or less per year (of which ¥40 million or less is for Outside Directors), and an allotment separate from annual monetary compensation for the issuance of share acquisition rights as stock options to Directors (excluding Directors who are Audit and Supervisory Committee Members) in the amount of ¥300 million or less per year was approved.

In this proposal, we request approval for remuneration, etc. separate from the remuneration limit above for the issuance of stock options to Eligible Directors in the amount of ¥1,000 million or less in total for a new officer remuneration plan in this fiscal year.

In the interest of providing transparency of the procedures for deciding the remuneration of Directors, and securing appropriateness in terms of company performance, individual performance, comparative societal benchmarks, etc., for the introduction of the aforementioned stock options, this proposal has been submitted after considering the results of consultation at the Remuneration Review Meeting.

In granting share acquisition rights, the amount set by the Company's Board of Directors based on the fair value calculated by the calculation method generally used to calculate the fair value of the share acquisition rights on the allotment date of the share acquisition rights shall be the issue price (amount to be paid in), and after paying the remuneration claim equivalent of the amount to be paid in to Eligible Directors, the Eligible Directors of the Company will acquire the share acquisition rights by a method of offsetting said remuneration claim with the amounts to be paid in for such share options. There are currently 12 Directors (including five Outside Directors), and if Proposal No. 1 is approved as originally proposed, there will be five Eligible Directors.

## 2. Specific details of share acquisition rights issued as market-capitalization-linked stock options

### (1) Total number of share acquisition rights

The total number of share acquisition rights to be issued within 1 year from the date of holding this Ordinary General Meeting of Shareholders shall be no more than 20,000 shares.

### (2) Class and number of shares underlying share acquisition rights

The type of stock for which share acquisition rights are intended shall be common stock, and the number of shares which are the object per 1 share acquisition right shall be 100 shares. In addition, if there is an appropriate to change the number of shares by the Company splitting or consolidating the Company's common stock, the Company will make necessary adjustments.

### (3) Amount to be paid in exchange for share acquisition rights

The amount to be paid in for the share acquisition rights shall be the amount determined by the Company's Board of Directors based on the fair value calculated by the calculation method generally used for calculating the fair value of the share acquisition rights on the allotment date of the share acquisition rights. However, the Company shall provide the Directors who are allotted the share acquisition rights with monetary compensation equivalent to the total paid-in amount for the share acquisition rights, and said Directors shall pay the remuneration claim offsetting the payment obligation of the share acquisition rights.

### (4) Value of property to be contributed upon exercise of share acquisition rights

The value of property to be contributed upon exercise per 1 share acquisition right shall be ¥1 per share to be issued by exercising the share acquisition rights, multiplied by the number of shares granted.

### (5) Period during which share acquisition rights may be exercised

Period during which share acquisition rights may be exercised (hereinafter referred to as the "Exercise Period") shall be from October 14, 2021 to October 13, 2031. If the last day of the Exercise Period falls on the Company's holiday, the last day shall be the immediately preceding business day.

### (6) Restrictions on acquisition of share acquisition rights by transfer

Approval of the Board of Directors is required for acquisition of share acquisition rights by transfer.

### (7) Conditions for exercising share acquisition rights

1) Holders of share acquisition rights may exercise the share acquisition rights on or after the day following the date that the following condition is satisfied, namely, that the market capitalization of the Company (which shall be calculated using the formula below) exceeds ¥500 billion on all of five specific continuous business days (excluding dates on which the common stock of the Company is not traded through ordinary trading) within seven years after the allotment date of the share acquisition rights.

Market capitalization = (Total number of issued common stock of the Company\* - Number of treasury shares relating to the common stock held by the Company\*) × Closing price of the ordinary trading of the Company's common stock at the Tokyo Stock Exchange\*

\* The number refers to the respective number on every day of the consecutive five business days mentioned above.

2) Holders of share acquisition rights may exercise said rights up to the limit set by the percentage listed in each item, including the share acquisition rights already exercised, within the period listed in the respective item. When exercising said rights, if fractional share acquisition rights are generated for the number of individual share acquisition rights as a result of calculating the number to be exercised based on the applicable percentage, the fractional amount shall be rounded down to the nearest tenth of a share acquisition right and the rounded-down number only may be exercised.

(a) One year from the day on which the market capitalization conditions described above in 1) are met  
50% of total number of share acquisition rights allotted to holders of share acquisition rights

(b) From the completion of the period described above in (a) until the final day of the exercise period  
100% of total number of share acquisition rights allotted to holders of share acquisition rights

3) At the time of their exercise of share acquisition rights, the holders of share acquisition rights are required to have a position of Senior Vice President or equivalent position, or higher-level position. However, this does not apply if the Board of Directors finds a justifiable reason.

4) Other conditions for exercising share acquisition rights shall be decided by resolution of the Board of Directors.

(8) Matters concerning the acquisition of share acquisition rights

1) The Company shall be able to acquire all share acquisition rights without contribution on the day separately specified by the Board of Directors of the Company in the event that approval at a general meeting of shareholders (if an approval at a general meeting of shareholder is not required, a resolution by the Board of Directors) is obtained on a merger agreement which dissolves the Company, a company split agreement or company split plan that splits the Company, or a share exchange agreement or share transfer plan which makes the Company a wholly owned subsidiary.

2) In the event that share acquisition rights can no longer be exercised under the provisions stipulated in (7) above before the holders of share acquisition rights exercise those rights, the Company shall be able to acquire share acquisition rights without contribution upon the arrival of a date separately provided for by the Company's Board of Directors.

(9) Other matters concerning the subscription requirements of share acquisition rights

Other details of share acquisition rights shall be determined by the Board of Directors, which determines matters for offering terms of share acquisition rights.

(Reference)

The Company will change the policy on making decisions on the content of officer remuneration, etc., as described below subject to the approval of Proposal No. 2 at this Ordinary General Meeting of Shareholders.

Policy, etc. on making decisions on content of officer remuneration, etc.

(1) Policy on making decisions on content and amount, etc. of individual remuneration, etc.

Decisions are made on the remuneration amount of Directors (excluding Directors who are Audit and Supervisory Committee Members) to obtain a remuneration system that is competitive enough for continuing to secure outstanding human resources, while giving consideration to business performance, the extent of the roles and responsibilities of the Director, equilibrium with employee salaries, and making comparisons with those of other companies in the same industry or of the same size in Japan and overseas. The remuneration of inside Directors comprises base remuneration as fixed remuneration, stock compensation-type stock options as share-based remuneration, and stock compensation-type stock options with provisions regarding conditions for exercising rights, while the remuneration of Outside Directors comprises only base remuneration as fixed remuneration that is unaffected by business results from the perspective of independence.

The base remuneration as fixed remuneration is paid monthly, and the stock compensation-type stock options as share-based remuneration is paid on a timely basis during the Director's term of office, and the exercise period for those stock options shall be a period of ten years from the date of allotment (in principle, the exercise of said stock options shall no longer be possible when the Director loses their position as officer or employee of the Company). In addition to the aforementioned, the Company shall pay, as a lump transaction at the time of introduction, stock compensation-type stock options with the provision of conditions for exercising rights.

(2) Policy concerning the determination of ratios for the amounts for individual Directors' remuneration, etc. with respect to monetary compensation amounts, or non-monetary compensation, etc. amounts

The ratio of remuneration for inside Directors with respect to fixed remuneration and share-based remuneration shall be based on the aforementioned policy and set at a level that is commensurate to the responsibilities and roles regarding overall business performance.

(3) Matters concerning the method for making decisions on the content of remuneration, etc. for individual Directors

The determination of the specific content of the base remuneration is delegated to the Chairman and CEO based on a resolution of the Board of Directors, and the Chairman and CEO decides the amount for individual Directors after receiving the suggestions made through the deliberation at the Remuneration Review Meeting, which is an advisory body.

The number of stock compensation-type stock options to be allotted to individual Directors shall be determined at the Board of Directors meeting. For stock compensation-type stock options with the provision of conditions for exercising rights, after receiving the suggestions made through the deliberation at the Remuneration Review Meeting, which is an advisory body, the offering terms are decided by resolution of the Board of Directors, and the Chairman and CEO, who is delegated based on a resolution of the Board of Directors, decides on the number of stock options to be allotted to individual Directors.