

[Translation: Please note that the following purports to be an excerpt translation from the Japanese original Notice of the 35th Ordinary General Meeting of Shareholders of Avex Inc. prepared for the convenience of shareholders outside Japan with voting rights. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.]

Securities Code: 7860

June 8, 2022

To Our Shareholders:

## **AVEX INC.**

### **NOTICE OF THE 35TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the 35th Ordinary General Meeting of Shareholders of Avex Inc. (the “Company”) will be held as described below.

This General Meeting of Shareholders shall be held virtually under Article 3, Paragraph 1 of the Supplementary Provisions of the law (Act No. 70 of 2021) to partially amend the Act on Strengthening Industrial Competitiveness and other laws. Please refer to the guidance on pages 8 to 10 hereof for details on system requirements and steps for attending the Meeting. If you are unable to attend the Meeting, you may exercise your voting rights by mailing the enclosed Voting Rights Exercise Form or via the Internet by 6:00 p.m. on Thursday, June 23, 2022. Please review the Reference Document for the Ordinary General Meeting of Shareholders below before voting.

For the method by which the Company will accept questions in advance, please refer to the “Accepting Questions Prior to the General Meeting of Shareholders” shown on page 4 hereof.

As for the method of exercising your voting rights, please refer to the “Information on the Exercise of Voting Rights” shown on pages 4 to 7 hereof.

Yours very truly,

Katsumi Kuroiwa  
Representative Director, CEO  
Avex Inc.  
1-4-1 Mita, Minato-ku, Tokyo

## Details

**1. Date and Time:** 10:00 a.m. JST, Friday, June 24, 2022

**2. Place:** This General Meeting of Shareholders shall be held virtually.  
(A general meeting of shareholders held only virtually online via the Internet)  
Please see pages 8 to 10 hereof for more details.

**3. Agenda of the meeting:**

***Matters to be reported:***

1. Business Reports, Consolidated Financial Statements and the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the 35th fiscal year (April 1, 2021 through March 31, 2022)
2. Non-consolidated Financial Statements for the 35th fiscal year (April 1, 2021 through March 31, 2022)

***Matters to be resolved:***

- Proposal No. 1: Partial Amendments to the Articles of Incorporation
- Proposal No. 2: Appointment of Four (4) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal No. 3: Appointment of Four (4) Directors Serving as Audit and Supervisory Committee Members

#### 4. Others

- (1) The following materials are not included in the Attachments to this NOTICE as they are posted on the Company's Web site (<https://avex.com/jp/ja/>) in accordance with the relevant laws and regulations and Article 15 of the Articles of Incorporation.
  - 1) Matters Related to the Accounting Auditors
  - 2) Matters Related to the System to Ensure Appropriate Conduct of Business and its Operational Status
  - 3) Consolidated Statements of Changes in Shareholders' Equity
  - 4) Non-Consolidated Statements of Changes in Shareholders' Equity
  - 5) "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
  - 6) "Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial Statements

The Attachments to the Ordinary General Meeting of Shareholders are a portion of the Business Report and the Consolidated and Non-consolidated Financial Statements, which were audited by Audit and Supervisory Committee and Accounting Auditors accompanied by an Audit Report and Independent Auditors' Report, respectively.

- (2) Changes, if any, to the Reference Material for the Ordinary General Meeting of Shareholders, the Business Report or the Consolidated and Non-consolidated Financial Statements will be posted on the Company's Web site stated above.

- End -

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- The Company may update the abovementioned measures based on the status of the spread of COVID-19 and details of announcements by the government, etc. prior to the date of the General Meeting of Shareholders. Shareholders are requested to confirm the information disseminated on the Company's website (<https://avex.com/jp/ja/>) on the Internet.
  - Exercising voting rights using the Voting Rights Exercise Form poses a risk of contracting COVID-19 in the process of sending the Form and tallying the results. Accordingly, shareholders are requested to exercise their voting rights via the Internet as much as possible, when exercising their voting rights in advance.

### **Business Reports and Explanations of Proposals**

The Company will post a video compiling the business reports and explanations of proposals on the website exclusively for the shareholders, the “avex shareholders club (<https://sh.fc.avex.jp/>),” which is scheduled on Friday, June 17, 2022, so that the shareholders can exercise their voting rights in advance with sufficient understanding of the Company’s situation, even if they do not attend the General Meeting of Shareholders. For details of the website exclusively for the shareholders, please refer to an enclosed invitation notice or the back cover of this Notice.

### **Accepting Questions Prior to the General Meeting of Shareholders**

For this General Meeting of Shareholders, questions will be accepted in advance on the website exclusively for the shareholders of Avex, the “avex shareholders club (<https://sh.fc.avex.jp/>).” \*Please note that no more than one (1) question and no more than 300 Japanese characters per shareholder shall be accepted. Of advance questions submitted by 6:00 p.m. JST, Monday, June 20, 2022, questions that are related to the purpose of this General Meeting of Shareholders will be collectively answered at the Meeting. \*Regarding how we respond to questions from shareholders at the Meeting, please refer to pages 8 to 10 hereof.

### **Information on the Exercise of Voting Rights**

#### ▶ **Exercising voting rights by post**

Deadline for Exercising Voting Rights:

**Voting Rights Exercise Form must arrive by no later than 6:00 p.m. JST, Thursday, June 23, 2022.**

Please indicate your approval or disapproval of each item of business on the attached Voting Rights Exercise Form and return it by the postal service so that it will arrive at the Company no later than deadline of exercise.

#### ▶ **Exercising voting rights via the Internet**

Deadline for Exercising Voting Rights:

**The voting rights must be exercised by no later than 6:00 p.m. JST, Thursday, June 23, 2022.**

Please access the designated Web site for the exercise of voting rights (<https://www.web54.net>) and enter your votes by the deadline of the Internet voting period.

For the detailed procedures to exercise your voting rights via the Internet, please read the instructions on the following page.

▶ **Exercising voting rights by attending the Meeting held virtually**

Date and Time of the Meeting: **10:00 a.m. JST, Friday, June 24, 2022**

Live Streaming Start Time: **9:30 a.m. JST on the same day**

Please refer to pages 8 to 10 hereof and attend the General Meeting of Shareholders.

Shareholders who wish to attend the Meeting by proxy are requested to delegate one (1) other shareholder with voting rights to attend the Meeting in accordance with laws and regulations and the Articles of Incorporation.

For the detailed procedures regarding proxies, please contact <https://sh.fc.avex.jp/qa/edit/>.

**Message to Institutional Investors**

In addition to the above method to exercise voting rights via the Internet, institutional investors can exercise their rights using an electronic voting platform provided by ICJ, Inc.

Please note that this service is only available for those who requested it in advance.

## How to exercise your voting rights via the Internet

Voting rights must be exercised by no later than 6:00 p.m. JST, Thursday, June 23, 2022.

You can exercise your voting rights online by accessing the Web site for the exercise of voting rights on either a smartphone or personal computer and following the guidelines on the screen.

### ■ Using a smartphone

You can scan the login QR Code to login without entering your voting rights exercise code and password.

**\*You may only exercise your voting rights once using the following methods.**

#### 1 Scan the QR code

Scan the login QR code printed on the enclosed Voting Rights Exercise Form Sub Slip (right side) using your smartphone.

#### 2 Select a voting rights exercise method

When the proposal voting method selection screen is displayed, select your voting rights exercise method.

#### 3 Select approval or disapproval for each proposal

Follow the guidelines on the screen to select approval or disapproval for each proposal.

Follow the guidelines on the screen to finish voting.

#### When you login for the second time and onwards...

Follow the methods on **the next page** to login using a personal computer.

Due to security reasons, you are required to enter your login ID and temporary password when you login **for the second time and onwards**, even if you scan the QR Code.

**Depending on the model of your smartphone, you may not be able to login using the QR Code.**

If you cannot login using the QR Code, then exercise your voting rights with the method using a personal computer described on the next page.

■ **Using a personal computer**

**1 Access the designated Web site (<https://www.web54.net>)**

1) Click on the “Next page” button

If you use a smartphone or a mobile phone with the QR Code Reader function, you can scan the QR Code to access the Web site.

**2 Login**

2) Enter the “Voting Rights Exercise Code”

3) Click on the “Login” button

**3 Register your password**

4) Enter your “Initial Password”

Please set a new password that you will actually use.

5) Click on the “Register” button.

**From this step onward, please follow the guidelines on the screen.**

● **Web site for the exercise of voting rights**

- (1) The exercise of voting rights is available only on the Web site at <https://www.web54.net>, which is accessible from a personal computer, a smartphone or a mobile phone.
- (2) Certain personal computers, smartphones or mobile phones, or Internet providers' services or types of communication devices may not be able to run the Web site or offer the Internet voting service due to the Internet environment. For more information or inquiries, please contact the Help Desk detailed below.

● **Costs incurred for accessing the designated Web site**

Certain costs, such as internet connection fees and telecommunication charges, incurred by accessing the designated Web site by using a personal computer, a smartphone or a mobile phone shall be borne by the shareholder.

● **Handling of the redundant exercise of voting rights**

- (1) If you have exercised your voting rights by both Internet and post, only the exercise of voting rights via the Internet shall be deemed effective.
- (2) If you have exercised your voting rights several times via the Internet, only the final execution shall be deemed as your effective exercise of voting rights.

For Inquiries with Respect to Systems  
Stock Transfer Agency Web Support Helpline  
Sumitomo Mitsui Trust Bank, Limited  
Toll-free service phone number in Japan: 0120-652-031  
Operating hours: 9:00 a.m.–9:00 p.m.

## **Operation of the General Meeting of Shareholders Held Virtually**

The 35th Ordinary General Meeting of Shareholders will be held only virtually online (via the Internet). On the day of the Meeting, you will have access to Avex's dedicated Web site for shareholders, the "avex shareholders club."

You can attend the Meeting, send questions, and exercise your voting rights on this Web site. You need to register in advance to access the "avex shareholders club," our dedicated Web site for shareholders. Please refer to the instructions on how to register for the "avex shareholders club."

Avex's dedicated Web site for shareholders: "avex shareholders club"

<https://sh.fc.avex.jp/>

How to Access on the Day of the Meeting, Etc.

1. Login to "avex shareholders club," Avex's dedicated Web site for shareholders. Click the banner of the 35th Ordinary General Meeting of Shareholders.

Live streaming starts at 9:30 a.m. JST, and the Meeting starts at 10:00 a.m. JST on Friday, June 24, 2022.

If you are unable to access the above dedicated Web site for shareholders, please enter through <https://7860.ksoukai.jp>.

2. You will be prompted to enter a user ID and a password. Enter your user ID and password as follows:

- User ID: Shareholder number (Please see the 9-digit shareholder number on your Voting Rights Exercise Form.)
- Password: Zip code (Please see the 7-digit zip code on your Voting Rights Exercise Form.)

3. Read the announcements and click the "Request to Join" button.

If you click "Request to Join" ahead of time, you will see the "Join" button at 9:30 a.m. on the day of the Meeting. Click "Join" to attend the meeting.



#### 4. How to ask questions and how we respond

You can ask questions as follows:

- (1) Log in to the live streaming site of the General Meeting of Shareholders.
- (2) Click the “Question” tab on the right side of the screen.
- (3) Enter a question and click the “Next” button.

\*Submit no more than one (1) question and no more than 300 Japanese characters per shareholder.

- (4) Review your question and click the “Submit” button.

We take questions only those related to the agenda of this Meeting.

You can start sending questions immediately after logging in to the live streaming site on the day of the Meeting.

We stop taking questions at the point when we finish explaining proposals.

Motions can also be submitted through the "Motion" tab as well as questions.

#### 5. Notes on exercising voting rights

If you exercise your voting rights in advance in writing or via the Internet and attend the Meeting in person, your exercise of voting rights in advance shall be deemed invalid upon confirmation of your exercise of voting rights on the day of the Meeting. If you exercise your voting rights in advance and attend the Meeting but the Company is unable to confirm your exercise of voting rights on the day of the Meeting, the Company will treat your exercise of voting rights in advance as valid. If you do not exercise your voting rights in advance and attend the Meeting but the Company is unable to confirm your exercise of voting rights on the day of the Meeting, the Company will treat it as if you did not exercise your voting rights.

#### 6. For shareholders who have difficulty using the Internet

Shareholders who wish to exercise their voting rights but have difficulty using the Internet are requested to exercise their voting rights in writing in advance.

## 7. Notes on attending the Meeting

- (1) Some system environments, such as internet connection and network conditions, may interrupt your access to the Meeting.
- (2) The Company will take reasonable measures against connection failures during the live streaming of the Meeting. However, please note that we will not at all be liable in case of such connection failures.
- (3) The shareholders bear the cost arising from attending the Meeting, such as telecommunication fees.
- (4) Please refrain from taking pictures, recording video or sound, and/or storing the content. Provision or distribution to third parties is strictly prohibited.
- (5) Please never share your user ID and password with others.
- (6) We will post the status on our Web site (<https://avex.com/jp/ja/>) if there are any changes to the live streaming of the Meeting due to unexpected circumstances, such as a system failure or any other reasons. Please check our Web site accordingly.
- (7) Our General Meeting of Shareholders will be held in Japanese.
- (8) System requirements  
For PC: <https://jp.vcube.com/support/virtual-shareholders-meeting/requirements/#vsm01>  
For mobile devices:  
<https://jp.vcube.com/support/virtual-shareholders-meeting/requirements/#vsm02>

## 8. Response to connection failure

At the beginning of the Meeting, we will make a resolution\* to leave the meeting chair to decide whether to postpone or continue the Meeting in the event of a significant disruption to the Meeting due to a connection failure requiring to postpone or continue the Meeting. (\* the discretionary resolution of the meeting chair in the parentheses of Article 317 of the Companies Act as paraphrased by Article 66, Paragraph 2 of the Act on Strengthening Industrial Competitiveness)

## 9. Contact information about live streaming of the General Meeting of Shareholders

If you have any questions about how to attend or view the General Meeting of Shareholders, please contact the following number.

V-cube, Inc.: 03-4500-1346

Available on June 24, 2022 (the day of the Meeting) between 9:00 a.m. and the end of the Meeting

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## Reference Document for the General Meeting of Shareholders

### Agenda and Reference Information

#### Proposal No. 1: Partial Amendments to the Articles of Incorporation

The Company proposes to make partial amendments to the Articles of Incorporation as illustrated in the following comparison table.

##### 1. Reasons for the Proposal

The amended provisions set forth in the proviso of Article 1 of the supplementary provisions of the “Act of Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, the Company proposes to establish a new provision that the Company shall provide information contained in the reference materials for the general meeting of shareholders, etc., electronically, and a provision that the Company may limit including some information in the paper copy to be sent to shareholders who have requested it. The provisions on the internet disclosure and deemed provision of the reference materials for the General Meeting of Shareholders, etc., will be deleted as it will be no longer necessary. In addition, supplementary provisions on the effective date, etc., shall be established.

##### 2. Details of the amendments

The details of the amendments are as follows.

The amendments to the Articles of Incorporation in relation to this Proposal shall be effective as of the conclusion of this General Meeting of Shareholders.

(Underlined parts denote amendments.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.)</u></p> <p>Article 15. The Company may, when convening a <u>general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p>	<p>&lt;Deleted&gt;</p>
<p>&lt;Newly established&gt;</p>	<p><u>(Measures for Electronic Provision, Etc.)</u></p> <p>Article 15. The Company shall, when convening a</p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<p>&lt;Newly established&gt;</p>	<p><u>Supplementary provisions (Transitional Measures Related to the Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 2. The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the proposed Article 15 (Measures for Electronic Provision, Etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

**Proposal No. 2:** Appointment of Four (4) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

As the term of office of all four (4) Directors (excluding Directors serving as Audit and Supervisory Committee Members, the same applies hereinafter in this proposal) of the Company will expire at the conclusion of this Ordinary General Meeting of Shareholders, the Company proposes the appointment of four (4) Directors.

The Company received an opinion from Audit and Supervisory Committee that each nominee is appropriate as Director of the Company, and there is nothing to point out for this Proposal.

The nominees for Directors are as follows:

No.	Name	Current Position and Assignments in the Company	Attendance at Board of Directors' Meetings
1	Masato Matsuura (Reappointment)	Representative Director and Chairman	12 out of 13 (92%)
2	Katsumi Kuroiwa (Reappointment)	Representative Director, CEO; Chief of Corporate Strategy Headquarters; in charge of Group Management Office	13 out of 13 (100%)
3	Shinji Hayashi (Reappointment)	Representative Director, CFO; Member of the Compliance Committee and Compensation Committee; responsible for Compliance and Risk Management; in charge of Management Administration Headquarters, Personnel and General Affairs Headquarters, and Accounting and Legal Affairs Headquarters	13 out of 13 (100%)
4	Toru Kenjo (Reappointment)	Director (part-time)	12 out of 13 (92%)

No.	Name (Date of Birth)	Brief Personal History, Position, Assignments and Significant Posts Concurrently Held	Number of the Company's Shares Held
1	(Reappointment)  Masato Matsuura (Oct. 1, 1964)	Apr. 1988 Established the Company, Director Mar. 1991 Senior Executive Director of the Company Sep. 2004 Representative Director and President of the Company Apr. 2005 President of Avex Entertainment Inc. (currently Avex Digital Inc.) Apr. 2009 Chairman of the Board of Avex Broadcasting & Communications Inc. Apr. 2010 Representative Director, CEO of the Company Jul. 2013 Director of Avex International Holdings Singapore Pte. Ltd. (currently Avex Asia Pte. Ltd.) (to present) Oct. 2013 Chairman of the Board of Avex Management Inc. Dec. 2014 Chairman of the Board of AWA Co. Ltd. Jun. 2018 Representative Director and Chairman, CEO of the Company Jun. 2020 Representative Director and Chairman of the Company (to present) Jul. 2020 Representative Director and Chairman, Avex Creative Factory Inc. (to present)  (Significant posts concurrently held) Representative Director and Chairman, Avex Creative Factory Inc.	778,024
<p>Reason for directorial candidacy</p> <p>Since founding our company in 1988, Masato Matsuura has created and decided on management strategies, and fulfilled a central role in the producing business in the entertainment field and in contracts with important clients and affiliated artists. In addition, he has contributed to the development of our corporate group by taking on the overall management and endeavoring to develop new businesses as the Representative Director and Chairman, CEO since 2018.</p> <p>Continuing forward, in order for our corporate group to grow, we think that inheriting the founder's spirit and working mainly on music producing activities, in which he has the most insight and industry experience, will improve company performance and will contribute to the creation of continued company value, which is why he has been nominated for directorial candidacy.</p>			

No.	Name (Date of Birth)	Brief Personal History, Position, Assignments and Significant Posts Concurrently Held	Number of the Company's Shares Held
2	(Reappointment)  Katsumi Kuroiwa (Jan. 19, 1972)	May 2001    Joined Axev, Inc. (currently Avex Management Inc.) Apr. 2005    Director of Avex Live Creative Inc. (currently Avex Entertainment Inc.) May 2012    Director of Avex Taiwan Inc. (to present) Jun. 2012    Representative Director and President of Avex Live Creative Inc. (currently Avex Entertainment Inc.) Jun. 2016    Corporate Executive of the Company Apr. 2017    Representative Director and President of Avex Entertainment Inc. (to present) Apr. 2017    Director of Avex Management Inc. (to present) Apr. 2017    Director of Avex Classics International Inc. (to present) Jun. 2018    Representative Director, COO of the Company Director of Avex Asia Pte. Ltd. (to present) Jun. 2020    Representative Director, CEO of the Company (to present) Jun. 2021    Chief of Corporate Strategy Headquarters (to present); in charge of Group Management Office of the Company (to present)  (Significant posts concurrently held) Representative Director and President of Avex Entertainment Inc.	86,900
<p>Reason for directorial candidacy</p> <p>Katsumi Kuroiwa entered the corporate group in 2001, and has contributed to its development through positions primary in live-related business, has made efforts toward the expansion of operations in the music business, and has endeavored to realize the group's medium- to long-term growth strategy as Representative Director, COO since 2018. As Representative Director, CEO since 2020, he has taken on the overall management of the Group.</p> <p>Continuing forward, in order for our corporate group to grow, we think that his insight and industry experience will contribute to the improvement of company performance and to the creation of continued company value, which is why he has been nominated for directorial candidacy.</p>			

No.	Name (Date of Birth)	Brief Personal History, Position, Assignments and Significant Posts Concurrently Held	Number of the Company's Shares Held
3	(Reappointment)  Shinji Hayashi (Jun. 8, 1964)	May 1990    Joined the Company Apr. 1993    Director of the Company Jun. 1996    Executive Director of the Company Jan. 2009    Director of Avex Management Inc. Feb. 2009    Executive Director of Avex Entertainment Inc. (currently Avex Digital Inc.) Apr. 2009    Director of Avex Broadcasting & Communications Inc. (to present) Apr. 2010    Representative Director, CBO of the Company Apr. 2010    Responsible for Compliance of the Company (to present) Apr. 2010    President of Avex Marketing Inc. (currently Avex Entertainment Inc.) Jun. 2016    Director, Corporate Executive, COO of the Company Jun. 2016    Chairperson of the Compliance Committee, Member of the Compensation Committee (to present); responsible for Risk Management of the Company (to present) Jun. 2018    Representative Director, CFO of the Company (to present) Jul. 2018    In charge of Management Administration Department (to present), HR and General Affairs Department (to present), and Accounting and Legal Affairs Department of the Company (to present) Jun. 2020    Member of the Compliance Committee of the Company (to present)  (Significant posts concurrently held) None applicable.	710,050
<p>Reason for directorial candidacy</p> <p>Shinji Hayashi entered the corporate group in 1990 and has contributed to its development through positions primarily in sales and marketing, as well as working to strengthen the Company's governance system as Officer responsible for Compliance and Risk Management, and overseeing the finance and administration departments as Representative Director, CFO since 2018.</p> <p>Continuing forward, in order for our corporate group to grow, we think that his insight and industry experience will contribute to the improvement of company performance and to the creation of continued company value, which is why he has been nominated for directorial candidacy.</p>			



No.	Name (Date of Birth)	Brief Personal History, Position, Assignments and Significant Posts Concurrently Held	Number of the Company's Shares Held
4	(Reappointment)  Toru Kenjo (Dec. 29, 1950)	Sep. 1991 Director and General Manager, Editing Department of Kadokawa Shoten Publishing Co., Ltd. (currently KADOKAWA CORPORATION) Nov. 1993 Established GENTOSHA INC., Representative Director and President (to present) Oct. 2005 Representative Director and President of Touchdown Co., Ltd. (to present) May 2009 Executive Advisor of Avex Broadcasting & Communications Inc. (to present) Jun. 2010 Director (part-time) of the Company (to present) Mar. 2012 Representative Director and President of Kab, Inc. (to present)  (Significant posts concurrently held) Executive Advisor of Avex Broadcasting & Communications Inc. Representative Director and President of GENTOSHA INC. Representative Director and President of Touchdown Co., Ltd. Representative Director and President of Kab, Inc.	—
<p>Reason for directorial candidacy</p> <p>After becoming a Director (part-time) in 2010, Toru Kenjo has contributed to the corporate group by utilizing his abundant business management and entertainment industry experience and knowledge.</p> <p>Continuing forward, we think his advice and opinion from a neutral standpoint will contribute to the improvement of company performance and to the creation of continued company value, which is why he has been nominated for directorial candidacy.</p> <p>With the expectation that Outside Directors can fully implement their ability in their roles, the Company has entered into a liability limitation agreement with him based on Article 427, Paragraph 1 of the Companies Act, with the limit amount of liability set to be the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If Toru Kenjo is reappointed as Director, the Company plans to continue the liability limitation agreement with him.</p>			

- (Notes)
1. There are no special interests between the Company and the nominees for Directors.
  2. The number of the Company's shares held by each nominee for Director is as of March 31, 2022.
  3. The Company has entered into directors and officers liability insurance contract with an insurance company. The insurance policy will cover any damages that may result from the insured's assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities. All nominees for Directors will be included as the insured under the insurance policy. The Company plans to renew the insurance contract with the same terms and conditions at the next renewal.

**Proposal No. 3:** Appointment of Four (4) Directors Serving as Audit and Supervisory Committee Members

As the term of office of all four (4) Directors serving as Audit and Supervisory Committee Members of the Company will expire at the conclusion of this Ordinary General Meeting of Shareholders, the Company proposes the appointment of four (4) Directors.

The Audit and Supervisory Committee is in agreement with this Proposal.

The nominees for Directors serving as Audit and Supervisory Committee Members are as follows:

No	Name	Current Position and Assignments in the Company	Attendance at the Audit and Supervisory Committee Meetings	Attendance at Board of Directors' Meetings
1	Nobuyuki Kobayashi (Reappointment)	Director, Full-time Audit and Supervisory Committee Member	12 out of 12 (100%)	13 out of 13 (100%)
2	Keiichi Okubo (Reappointment) (Outside)	Outside Director, Audit and Supervisory Committee Member, Chairperson of the Compliance Committee	12 out of 12 (100%)	13 out of 13 (100%)
3	Akihiro Tamaki (Reappointment) (Outside)	Outside Director, Audit and Supervisory Committee Member, Member of the Compensation Committee	12 out of 12 (100%)	13 out of 13 (100%)
4	Yoshihide Sugimoto (Reappointment) (Outside)	Outside Director, Audit and Supervisory Committee Member, Chairperson of the Compensation Committee	12 out of 12 (100%)	13 out of 13 (100%)

No.	Name (Date of Birth)	Brief Personal History, Position, Assignments and Significant Posts Concurrently Held	Number of the Company's Shares Held
1	(Reappointment, Full-time)  Nobuyuki Kobayashi (Sep. 4, 1956)	Oct. 1998    Joined Avex Distribution, Inc. (currently Avex Entertainment Inc.) Jul. 1999    Director of Avex Distribution, Inc. Apr. 2004    Executive Director of Avex Distribution, Inc. Apr. 2007    Director of Avex Marketing Inc. (currently Avex Entertainment Inc.) May 2010    Corporate Executive, Head of Sales & Promotion 2 Division of Avex Marketing Inc. Jul. 2011    Corporate Executive, Head of Administration Division of Avex Marketing Inc. Jun. 2013    Full-time Auditor of the Company Dec. 2016    Auditor of NexTone Inc. (to present) Jun. 2020    Director and Full-time Audit and Supervisory Committee Member of the Company (to present)  (Significant posts concurrently held) Auditor of NexTone Inc.	2,500
<p>Reason for directorial candidacy</p> <p>Since joining the corporate group in 1998, Nobuyuki Kobayashi has accumulated experience of serving in managerial positions mainly in the marketing and sales promotion divisions and administration division, and is therefore well versed in our corporate group's businesses. Moreover, he has been serving as Full-time Auditor and an auditor of a group company since June 2013, and has valuable insight regarding the Group's management.</p> <p>We anticipate that he will fulfill his duties by effectively utilizing his experience and insight as described above, which is why he has been nominated for directorial candidacy.</p>			

No.	Name (Date of Birth)	Brief Personal History, Position, Assignments and Significant Posts Concurrently Held	Number of the Company's Shares Held
2	(Reappointment, Outside)  Keiichi Okubo (Apr. 15, 1944)	Apr. 1972 Prosecutor of Tokyo District Public Prosecutors Office Apr. 1991 Director of the Enforcement Division, Immigration Bureau of Ministry of Justice Apr. 1995 Director-General of the Criminal Affairs Department of Chiba District Public Prosecutors Office Oct. 1996 Director-General of the Public Security Department of Tokyo District Public Prosecutors Office Aug. 1997 Director-General of the Trial Department of Tokyo High Public Prosecutors Office Sep. 1999 Prosecutor of Supreme Public Prosecutors Office Sep. 2000 Chief Prosecutor of Kochi District Public Prosecutors Office Apr. 2002 Chief Prosecutor of Sapporo District Public Prosecutors Office Apr. 2004 Notary Public belonging to Tokyo Legal Affairs Bureau Jun. 2012 Outside Corporate Auditor of MITSUI-SOKO Co., Ltd. (currently Mitsui-Soko Holdings Co., Ltd.) Oct. 2016 Attorney-at-law (to present) Jun. 2017 Outside Director of the Company Jun. 2017 Chairperson of the Compliance Committee of the Company (to present) Jun. 2020 Outside Director, Audit and Supervisory Committee Member of the Company (to present)  (Significant posts concurrently held) Attorney-at-law	—
<p>Reason for outside directorial candidacy and expected roles</p> <p>Keiichi Okubo has been re-nominated for outside directorial candidacy, as he has years of experience and insight in the field of justice and is expected to provide appropriate advice and oversight over our corporate group's management.</p> <p>The Company believes that his independence as Outside Director is considered unquestionable in light of the "Independence Standards for Outside Directors" established by the Company on the ground that there is no transaction between him and the Company.</p> <p>After his election, the Company plans to have him appointed as Chairperson of the Compliance Committee of the Company.</p> <p>He is a nominee for Outside Director and if he is elected as Director, he will be designated as Independent Director stipulated by Tokyo Stock Exchange, Inc. and be registered to the Exchange.</p> <p>With the expectation that Outside Directors can fully implement their ability in their roles, the Company has entered into a liability limitation agreement with him based on Article 427, Paragraph 1 of the Companies Act, with the limit amount of liability set to be the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If Keiichi Okubo is reappointed as Outside Director, the Company plans to continue the liability limitation agreement with him.</p> <p>The length of his tenure as Outside Director of the Company will be five (5) years as of the conclusion of this General Meeting of Shareholders, and the length of his tenure as Audit and Supervisory Committee Member of the Company will be two (2) years as of the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of Birth)	Brief Personal History, Position, Assignments and Significant Posts Concurrently Held	Number of the Company's Shares Held
3	(Reappointment, Outside)  Akihiro Tamaki (Oct. 25, 1966)	Sep. 1994    Joined Price Waterhouse LP (currently PricewaterhouseCoopers LLP), New York Sep. 1996    Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) Mar. 1999    Registered as a U.S. certified public accountant Dec. 1999    Retired from Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) Jan. 2000    Joined IntellAsset, Inc. Jul. 2001    Joined INNOVATION & INITIATIVE Co., Ltd. (currently INVENIO Co., Ltd.) Jun. 2006    Established PSY-fa Co., Ltd., Representative Director (to present) Jun. 2008    Outside Auditor of the Company Jun. 2010    Outside Director of SBI Holdings, Inc. Jun. 2016    Member of the Compensation Committee of the Company (to present) Jun. 2020    Outside Director, Audit and Supervisory Committee Member of the Company (to present)  (Significant posts concurrently held) U.S. certified public accountant Representative Director of PSY-fa Co., Ltd.	—
<p>Reason for outside directorial candidacy and expected roles</p> <p>Akihiro Tamaki holds a U.S. CPA certificate and has years of experience in accounting audit and consulting services. We expect that he will conduct audits appropriately based on his deep insights cultivated through the aforementioned experiences, which is why he has been named for outside directorial candidacy. Although he was employed by Deloitte Touche Tohmatsu LLC (then Deloitte Touche Tohmatsu), which is the Accounting Auditor of the Company, the Company believes that he is fully independent from the management of the Company due to the following reasons:</p> <p>(i) He was not engaged in the audit of the Company while he was with Deloitte Touche Tohmatsu.</p> <p>(ii) It has been 22 years and 6 months since he left Deloitte Touche Tohmatsu, as of June this year.</p> <p>After his election, the Company plans to have him appointed as Member of the Compensation Committee of the Company.</p> <p>He is a nominee for Outside Director and if he is elected as Director, he will be designated as Independent Director stipulated by Tokyo Stock Exchange, Inc. and be registered to the Exchange.</p> <p>With the expectation that Outside Directors can fully implement their ability in their roles, the Company has entered into a liability limitation agreement with him based on Article 427, Paragraph 1 of the Companies Act, with the limit amount of liability set to be the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If Akihiro Tamaki is reappointed as Outside Director, the Company plans to continue the liability limitation agreement with him.</p> <p>At the conclusion of this Ordinary General Meeting of Shareholders, he will have been in office as Outside Director and Audit and Supervisory Committee Member of the Company for two (2) years.</p>			

No.	Name (Date of Birth)	Brief Personal History, Position, Assignments and Significant Posts Concurrently Held	Number of the Company's Shares Held
4	(Reappointment, Outside)  Yoshihide Sugimoto (Oct. 31, 1980)	Dec. 2009 Attorney-at-law (to present) Dec. 2009 Joined Kiyoshi Suda Law Office Apr. 2011 Established Legal Partners Law Office (currently Anshin Partners Law Office) Dec. 2015 Assumed as Director Chairman of Brangista inc. (Outside) (to present) May 2017 Assumed as Advisor of Dentons (to present) May 2018 Assumed as Advisor of Zhongyunyuezhong (Beijing) Culture Development Co., Ltd. (to present) Oct. 2018 Assumed as Outside Director of NATTY SWANKY (to present) Jun. 2020 Outside Director, Audit and Supervisory Committee Member of the Company (to present) Jun. 2020 Chairperson of the Compensation Committee of the Company (to present)  (Significant posts concurrently held) Attorney-at-law Director Chairman of Brangista inc. (Outside) Outside Director of NATTY SWANKY	—

## Reason for outside directorial candidacy and expected roles

Yoshihide Sugimoto has great achievements related to corporate legal affairs and compliance as an attorney-at-law, in addition to abundant experience and insight related to protection of overseas contents as an Advisor of Chinese corporations. He has been nominated for outside directorial candidacy with the expectation that he will contribute to the enhancement of the Company's management and governance from an independent standpoint.

After his election, the Company plans to have him appointed as Chairperson of the Compensation Committee of the Company.

He is a nominee for Outside Director and if he is elected as Director, he will be designated as Independent Director stipulated by Tokyo Stock Exchange, Inc. and be registered to the Exchange.

With the expectation that Outside Directors can fully implement their ability in their roles, the Company has entered into a liability limitation agreement with him based on Article 427, Paragraph 1 of the Companies Act, with the limit amount of liability set to be the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If Yoshihide Sugimoto is reappointed as Outside Director, the Company plans to continue the liability limitation agreement with him.

At the conclusion of this Ordinary General Meeting of Shareholders, he will have been in office as Outside Director and Audit and Supervisory Committee Member of the Company for two (2) years.

- (Notes)
1. There are no special interests between the Company and the nominees for Directors.
  2. The number of the Company's shares held by each nominee for Director is as of March 31, 2022.
  3. The Company has entered into directors and officers liability insurance contract with an insurance company. The insurance policy will cover any damages that may result from the insured's assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities. All nominees for Directors will be included as the insured under the insurance policy. The Company plans to renew the insurance contract with the same terms and conditions at the next renewal.

## Competency Matrix

The Company expects Directors to have expertise and experience necessary for basic skills for corporate management, including *corporate management, finance and accounting, and legal and compliance*, as well as *IP creation*, the missions of the Company. The following competency matrix shows areas of skills that Directors can use upon approval of this proposal.

Name	Corporate Management	IP Creation	Global	Sales & Marketing	Finance & Accounting	Legal & Compliance
Masato Matsuura	●	●	●	●		
Katsumi Kuroiwa	●	●	●	●		
Shinji Hayashi	●	●		●	●	●
Toru Kenjo	●	●		●		●
Nobuyuki Kobayashi				●	●	●
Keiichi Okubo						●
Akihiro Tamaki				●	●	
Yoshihide Sugimoto			●			●

[Reference] Independence Standards for Outside Directors

The Company has established the "Independence Standards" as follows.

[Independence Standards for Outside Directors]

The Company deems that the outside officer is independent if he/she does not meet any of the following criteria.

- a. Executive of the Company or its subsidiary (hereinafter the "Group").
- b. Major client or supplier of the Group (client or supplier with annual total amount of transactions exceeding 1% of the Group's consolidated net sales) or an executive thereof, or a party whose major client or supplier is the Group (a party with total amount of transactions exceeding 1% of their consolidated net sales) or an executive thereof.
- c. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property (annual total amount of transactions exceeding the higher amount of either 10 million yen or 1% of their consolidated net sales) from the Group besides compensation as officer (or a person who belongs to such organization and is directly in charge of the Group if the entity receiving the assets is an organization such as a legal entity or an association).
- d. The major shareholder of the Company (\*1) (or an executive of the said major shareholder if the shareholder is a legal entity).
- e. An executive of the Group's major lender (\*2)
- f. Those that correspond to any of the items through a. to e. in recent times.
- g. Relatives (spouse or relatives within the second degree of kinship) of those who correspond to any of the items through a. to f. (excluding insignificant persons).

\*1: A major shareholder is a shareholder who possesses more than 10% of the voting rights held by all shareholders, under his/her name or other's name.

\*2: A major lender is a group of financial institution from which the Group receives loans (those related to the consolidated group to which the actual lender belongs to), where the total amount of loan made by the Group to the said group of financial institution as of the end of the previous fiscal year exceeds 5% of the Group's total consolidated assets.