

June 2, 2020

To Our Shareholders:

1-18-12 Minowa-cho, Kouhoku-ku, Yokohama-shi,  
Kanagawa  
KOEI TECMO HOLDINGS CO., LTD.  
Yoichi Erikawa, President & CEO (Representative  
Director)

## Notice of the 11th Annual Meeting of Shareholders

The Company hereby notifies shareholders that the 11th Annual Meeting of Shareholders will be held as described below.

Recently, self-restraint of leaving home has been requested by the government and prefectural governors to prevent the spread of Coronavirus Disease 2019 (COVID-19). As a result of due consideration to the given situation, we have decided to hold the Annual Meeting of Shareholders following appropriate measures to prevent infection.

**Also, considering the situation in which self-restraint of leaving home is requested, we strongly suggest that, from the perspective of preventing the spread of infection, you exercise your voting rights in writing or by electromagnetic means (such as on the Internet) in advance if at all possible for this Annual Meeting of Shareholders, and refrain from attending on the date concerned.**

**We kindly request you read the following Reference Document for the Annual Meeting of Shareholders, and exercise your voting rights by any of the methods described in the “Information on Exercise of Voting Right” (pages 5 and 6) no later than Wednesday, June 17, 2020 at 6:00 p.m.**

**Date:** Thursday, June 18, 2020 at 10:00 a.m.  
**Venue:** 3-7 Minatomirai 2-chome, Nishi-ku, Yokohama-shi, Kanagawa  
The Yokohama Bay Hotel Tokyu  
2nd basement, Ambassador’s Ballroom  
(Please see the “Venue Information Map for the Annual Meeting of Shareholders.”)

**Purposes:**

**Items to be reported:**

1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Audit & Supervisory Board for the 11th business period (April 1, 2019 to March 31, 2020)
2. The non-consolidated financial statements for the 11th business period (April 1, 2019 to March 31, 2020)

**Items to be resolved:**

**Agenda No. 1:** Appropriation of Retained Earnings  
**Agenda No. 2:** Election of Eleven (11) Directors  
**Agenda No. 3:** Issuance of Subscription Rights to Shares as a Stock Option

<Measures to Prevent the Spread of COVID-19 Infection at the Annual Meeting of Shareholders>

- In case of any material changes in the administration of the Annual Meeting of Shareholders due to future changes in circumstances, etc., the changes will be posted on the Company's website (<https://www.koeitecmo.co.jp/>) on the Internet.
- To secure space between seats, the number of shareholders allowed to enter on the said date will be 50 persons. We will adopt a preregistration system for the attendance of the Annual Meeting of Shareholders as described below. Persons who have preregistration will be admitted with priority. If more than 50 shareholders wish to preregister, persons with prioritized admission will be determined by a fair lottery (Please note that you may not be able to enter if you arrive without preregistration on the said date).
- We kindly ask for your cooperation in wearing a mask, using alcohol disinfectant, and having your temperature taken, etc., when attending. We may ask you not to enter if you have a fever, feel sick, have not been in Japan for a minimum of 14 days after returning from overseas, or do not cooperate with our requests toward preventing the spread of infection.

\*Our company staff will also attend after taking the same measures.

- From the perspective of shortening the time for the meeting, items to be reported (including audit reports) and detailed explanations of the agenda will be omitted from the floor.
- The annual business explanatory meeting held after the close of the Annual Meeting of Shareholders will be cancelled.
- In light of this situation, souvenirs for shareholders attending the Annual Meeting of Shareholders will not be arranged. Serving of snacks and beverages before the business explanatory meeting will also be discontinued.

<Preregistration>

\*Shareholders who have voting rights and are stated or recorded in the latest register of shareholders dated March 31, 2020, are eligible.

- If you wish to preregister, please state (1) your name/corporate name (In case of a corporation, name your department, title, and the person attending), (2) shareholder number, and (3) the number of shares held, and apply via email addressed to (soukai@koeitecmo.co.jp) no later than 6:00 p.m. on Tuesday, June 9, 2020.
- After receiving your email, we will reply with a receipt confirmation within 2 business days from receipt. If you do not receive our receipt confirmation by email, we may not have received your email due to system malfunction, etc. Please check your settings, etc., and send the email again.
- We will notify shareholders by email for who we have confirmed application by 6:00 p.m. on Friday, June 12, 2020, regardless of whether admission has been accepted or not. We kindly ask shareholders who did not preregister or unfortunately were not selected as a result of the lottery to consider exercising voting rights in writing or by electromagnetic means (such as on the Internet).

\*Personal information of shareholders that we obtain when you apply for preregistration will be deleted after 14 days have passed from the end of the Annual Meeting of Shareholders. The personal information concerned will not be used for any purpose other than business related to the Annual Meeting of Shareholders or to prevent the spread of infection in case a person becomes infected at the Annual Meeting of Shareholders.

\*Due to the security or other settings by your internet provider or mobile phone company, email that we send may be blocked on your server side and you may not be able to receive the email. Since the Company is unable to address this matter, you are kindly requested to change the settings for the recipient side of the email address to allow receipt of email from the [koeitecmo.co.jp] domain. As for settings, please check manuals from your email software or provider, etc.

<Notice to Shareholders>

- Since the following information has been posted on the Company's Internet website (<https://www.koeitecmo.co.jp/>) in accordance with the laws, ordinances and provisions of Article 17 of the Articles of Incorporation, the documents provided in association with this notice do not contain such information.
  - (i) Matters concerning the Subscription Rights to Shares, etc. of the Company
  - (ii) System to ensure the properness of business and the operating state of such system
  - (iii) Consolidated Statements of Changes in Net Assets
  - (iv) Notes to the Consolidated Financial Statement
  - (v) Non-consolidated Statements of Changes in Net Assets
  - (vi) Notes to the Non-consolidated Financial Statements
- If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, the business report, and/or the consolidated and the non-consolidated financial statements, such revisions will be listed on the Company's website mentioned above.
- If you exercise your voting rights redundantly by means of a voting right exercise document and on the Internet, we will treat the exercise of voting rights on the Internet as effective.
- If you exercise your voting rights more than once on the Internet, we will treat the most recent exercise of voting rights as effective.
- We will post the results of the resolution of the Annual Meeting of Shareholders on the Company's website mentioned above instead of sending a notice of resolution.

## Reference Document for the Annual Meeting of Shareholders

### Agenda No. 1: Appropriation of Retained Earnings

We believe that returning profit to our shareholders is one of the most important principles for management and our basic policy regarding this passing on of profits is "a consolidated yearly dividend payout of 50% with stock buyback included, or a yearly dividend of 50 yen/stock."

Accordingly, the Company would like to set the year-end dividend amount for the 11th business period as follows in light of our business performance for the business period:

1. Type in which dividends are paid

Cash payment

2. Allocation of dividends and total amount of dividends

The Company would like to disburse 61 yen per common share, which is equivalent to the consolidated yearly dividend payout of 50%.

In this case, the total amount of dividends will be 7,748,230,980 yen.

3. Effective date on which dividends are disbursed from retained earnings

June 19, 2020

**Agenda No. 2: Election of Eleven (11) Directors**

The term of office for all eleven (11) Directors will expire at the conclusion of the Annual Meeting of Shareholders. Moving forward, the Company requests the election of eleven (11) Directors.

The candidates for Director are as follows.

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	Keiko Erikawa (January 3, 1949)	<p>July 1978 Senior Executive Director, KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.)</p> <p>June 1992 Deputy-president (Representative Director), KOEI Co., Ltd.</p> <p>April 1999 President (Representative Director), KOEI Co., Ltd.</p> <p>June 2000 Deputy-chairman (Director), KOEI NET CO., Ltd. (currently known as KOEI TECMO NET CO., LTD.)</p> <p>June 2001 Chairman (Representative Director), KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.)</p> <p>Chairman (Director), KOEI NET CO., Ltd. (currently known as KOEI TECMO NET CO., LTD.)</p> <p>Board Director Chairman and CEO, KOEI Corporation (currently known as KOEI TECMO AMERICA Corporation)</p> <p>June 2005 Chairman (Founder and Director), KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.)</p> <p>April 2006 Chairman Emeritus (Founder Director), KOEI Co., Ltd. Chairman Emeritus (Director), KOEI NET CO., Ltd. (currently known as KOEI TECMO NET CO., LTD.)</p> <p>April 2009 Director, the Company</p> <p>June 2009 Chairman Emeritus (Director), the Company</p> <p>January 2011 Chairman Emeritus (Director), KOEI TECMO GAMES CO., LTD.</p> <p>Chairman Emeritus (Director), KOEI TECMO WAVE CO., LTD.</p> <p>June 2013 Chairman (Representative Director), KOEI TECMO GAMES CO., LTD.</p> <p>Chairman (Representative Director), the Company (current position)</p> <p>June 2014 Board Director, TECMO KOEI EUROPE LIMITED (currently known as KOEI TECMO EUROPE LIMITED) (current position)</p> <p>April 2015 Chairman Emeritus (Director), KOEI TECMO GAMES CO., LTD. (current position)</p> <p>November 2015 Senior Executive Director (Representative Director), KOYU HOLDINGS CO., LTD.</p> <p>April 2020 Chairman (Representative Director), KOYU HOLDINGS CO., LTD. (current position)</p> <p>(Significant concurrent positions) Chairman (Representative Director), KOYU HOLDINGS CO., LTD. Chairman Emeritus (Director), KOEI TECMO GAMES CO., LTD. Board Director, KOEI TECMO EUROPE LIMITED</p>	2,653,135
<p>[Reasons for electing the person as candidate for Director]</p> <p>Since the foundation of KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.), Ms. Keiko Erikawa has endeavored to develop the Company and strengthen the management base as manager and financial officer. In addition, because of her devotion to improving the status of and developing the entire game industry through various industry organizations, she was awarded the Medal with Blue Ribbon at "2015 Fall's Medal of Honor" ceremony.</p> <p>She has her own point of view as female manager, abundant experience in management, and the Company decided that she is integral for the development and further improvement of corporate value and requests that shareholders continuously elect her as Director.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
2	Yoichi Erikawa (October 26, 1950)	<p>July 1978 President (Representative Director), KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.) (established)</p> <p>April 1999 Chairman (Representative Director), KOEI Co., Ltd.</p> <p>June 2001 Lead Advisor (Director), KOEI Co., Ltd.</p> <p>June 2005 Lead Advisor (Founder Director), KOEI Co., Ltd.</p> <p>April 2009 Director, the Company</p> <p>June 2009 Lead Advisor (Director), the Company</p> <p>November 2010 President &amp; CEO (Representative Director), the Company (current position)</p> <p>President (Representative Director), KOEI TECMO GAMES CO., LTD.</p> <p>Director, KOEI TECMO WAVE CO., LTD.</p> <p>Director, KOEI TECMO NET CO., LTD.</p> <p>Board Director President and COO, TECMO KOEI AMERICA Corporation (currently known as KOEI TECMO AMERICA Corporation)</p> <p>December 2010 Board Director President and COO, TECMO KOEI EUROPE LIMITED (currently known as KOEI TECMO EUROPE LIMITED)</p> <p>April 2015 Chairman (Representative Director) (CEO), KOEI TECMO GAMES CO., LTD.</p> <p>November 2015 President (Representative Director), KOYU HOLDINGS CO., LTD. (current position)</p> <p>April 2018 Chairman Emeritus (Director), KOEI TECMO WAVE CO., LTD. (current position)</p> <p>Chairman (Representative Director), KOEI TECMO NET CO., LTD. (current position)</p> <p>April 2020 Board Director Chairman and CEO, KOEI TECMO AMERICA Corporation (current position)</p> <p>Board Director Chairman and CEO, KOEI TECMO EUROPE LIMITED (current position)</p> <p>Chairman (Representative Director) (CEO and COO), KOEI TECMO GAMES CO., LTD.(current position)</p> <p>(Significant concurrent positions)</p> <p>President (Representative Director), KOYU HOLDINGS CO., LTD.</p> <p>Chairman (Representative Director) (CEO and COO), KOEI TECMO GAMES CO., LTD.</p> <p>Chairman Emeritus (Director), KOEI TECMO WAVE CO., LTD.</p> <p>Chairman (Representative Director), KOEI TECMO NET CO., LTD.</p> <p>Board Director Chairman and CEO, KOEI TECMO AMERICA Corporation</p> <p>Board Director Chairman and CEO, KOEI TECMO EUROPE LIMITED</p>	2,741,047
<p>[Reasons for electing the person as candidate for Director]</p> <p>Since the foundation of KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.), Mr. Yoichi Erikawa has provided strong leadership and led the development of the Company as manager. In addition, he created a lot of video games representing the Company group including “Nobunaga’s Ambition” and “Romance of the Three Kingdoms” as video game producer KOU SHIBUSAWA, and has endeavored to improve the corporate value of the Company as an entertainment company.</p> <p>The Company decided that he is integral for the development and further improvement of corporate value of the Company because he is a manager with abundant experience in management and an exceptional video game producer, and requests that shareholders continuously elect him as Director.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
3	Hisashi Koinuma (October 2, 1971)	<p>April 1994      Joined KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.)</p> <p>April 2006      Executive Officer, KOEI Co., Ltd.</p> <p>July 2008        Managing Executive Officer, KOEI Co., Ltd.</p> <p>June 2009        Executive Officer, the Company Executive Officer, TECMO, Ltd.</p> <p>April 2010        Managing Executive Officer, KOEI TECMO GAMES CO., LTD.</p> <p>April 2011        Senior Executive Director, KOEI TECHMO GAMES CO., LTD.</p> <p>June 2012        Director, the Company</p> <p>June 2013        Deputy-president (Director), KOEI TECMO GAMES CO., LTD.</p> <p>April 2015        President (Representative Director) (COO), KOEI TECMO GAMES CO., LTD. Board Director, KOEI TECMO AMERICA Corporation Board Director, KOEI TECMO EUROPE LIMITED</p> <p>April 2018        Deputy-president (Representative Director), the Company Chairman (Representative Director), KOEI TECMO WAVE CO., LTD. (current position) President (Representative Director), KOEI TECMO NET CO., LTD. (current position)</p> <p>April 2020        Board Director President and COO, KOEI TECMO AMERICA Corporation(current position) Board Director President and COO, KOEI TECMO EUROPE LIMITED(current position) Deputy-president (Director), the Company (current position) President (Director) , KOEI TECMO GAMES CO., LTD. (current position)</p> <p>(Significant concurrent positions) President (Director) , KOEI TECMO GAMES CO., LTD. Chairman (Representative Director), KOEI TECMO WAVE CO., LTD. President (Representative Director), KOEI TECMO NET CO., LTD. Board Director President and COO, KOEI TECMO AMERICA Corporation Board Director President and COO, KOEI TECMO EUROPE LIMITED</p>	37,648
<p>[Reasons for electing the person as candidate for Director]</p> <p>After joining KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.), Mr. Hisashi Koinuma has gained field experience as video game developer and led the entertainment business, which is the Company group's core business, by developing video games representing the Company group including the "Warriors" series and producing collaborative products using the IP of other companies.</p> <p>He is the person who leads the next-generation management and the Company decided that he is necessary for the development and further improvement of corporate value of the Company and requests that shareholders continuously elect him as Director.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
4	Kenjiro Asano (July 24, 1960)	<p>May 2002      Joined KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.) Executive Officer, KOEI Co., Ltd.</p> <p>April 2006      Managing Executive Officer, KOEI Co., Ltd.</p> <p>January 2008    Board Director, KOEI Corporation (currently known as KOEI TECMO AMERICA Corporation) (current position)</p> <p>April 2009      Executive Officer and CFO, the Company Senior Executive Director (Executive Officer), KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.)</p> <p>April 2010      Senior Executive Officer and CFO, General Manager of Business Administration Division, the Company (current position) Senior Executive Director, KOEI TECMO WAVE CO., LTD.</p> <p>April 2017      Director, KOEI TECMO GAMES CO., LTD. (current position)</p> <p>June 2018      Director, Executive Officer and CFO, General Manager of Business Administration Division, the Company (current position)</p> <p>(Significant concurrent positions) Director, KOEI TECMO GAMES CO., LTD. Board Director, KOEI TECMO AMERICA Corporation</p>	2,824
<p>[Reasons for electing the person as candidate for Director]</p> <p>After joining KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.), Mr. Kenjiro Asano has gained experience and achieved satisfactory results mainly as person responsible for the administrative department and, after the management integration, supported the management of the Company as CFO.</p> <p>He has a good track record as CFO and General Manager of Business Administration Division, and the Company has decided that he is necessary for the development and further improvement of corporate value and requests that shareholders continuously elect him as Director.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
5	Yosuke Hayashi (February 9, 1979)	April 2001      Joined TECMO, Ltd. April 2010      Executive Officer, KOEI TECMO GAMES CO., LTD. April 2017      Managing Executive Officer, KOEI TECMO GAMES CO., LTD. April 2018      Senior Executive Officer (Director), KOEI TECMO GAMES CO., LTD. (current position) June 2018      Director, the Company (current position) (Significant concurrent positions) Senior Executive Officer (Director), KOEI TECMO GAMES CO., LTD.	5,904
<p>[Reasons for electing the person as candidate for Director]</p> <p>After joining TECMO, Ltd., Mr. Yosuke Hayashi has gained field experience as a video game developer and recently led KOU SHIBUSAWA, ω-Force and Team NINJA, engaged in the development of major titles including “Nioh” series, and significantly contributed to the creation and development of global IP.</p> <p>He is a person who plays a role in next-generation management and the Company has decided that he is necessary for the development and further improvement of corporate value and requests that shareholders continuously elect him as Director.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
6	Kazuyoshi Sakaguchi (February 20, 1958)	<p>March 2003 Director, TECMO WAVE CO., LTD. (currently known as KOEI TECMO WAVE CO., LTD.)</p> <p>June 2003 Director, TECMO, Ltd.</p> <p>June 2004 Managing Director, TECMO, Ltd.</p> <p>Managing Director, TECMO WAVE CO., LTD. (currently known as KOEI TECMO WAVE CO., LTD.)</p> <p>April 2005 Senior Executive Director (Representative Director), TECMO WAVE CO., LTD.</p> <p>January 2006 President (Representative Director), TECMO WAVE CO., LTD. (current position)</p> <p>November 2008 Managing Executive Officer, TECMO, Ltd.</p> <p>January 2009 President (Representative Director), TECMO, Ltd.</p> <p>April 2009 Director, the Company (current position)</p> <p>Director, KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.) (current position)</p> <p>January 2010 Board Director, TECMO KOEI AMERICA Corporation (currently known as KOEI TECMO AMERICA Corporation)</p> <p>April 2010 Director, KOEI TECMO NET CO., LTD.</p> <p>Board Director, TECMO KOEI EUROPE LIMITED (currently known as KOEI TECMO EUROPE LIMITED)</p> <p>April 2013 President (Representative Director), KOEI TECMO NET CO., LTD.</p> <p>(Significant concurrent positions)</p> <p>Director, KOEI TECMO GAMES CO., LTD.</p> <p>President (Representative Director), KOEI TECMO WAVE CO., LTD.</p>	27,984
<p>[Reasons for electing the person as candidate for Director]</p> <p>Mr. Kazuyoshi Sakaguchi successively worked in different important posts at group companies, and has gained experience in management and achieved management performance, and also been engaged in the amusement business and business for expansion of game software sales.</p> <p>He has abundant experience, having engaged in more than one business as manager, and the Company decided that he is necessary for the expansion of the business of the Company and requests that shareholders continuously elect him as Director.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
7	Mei Erikawa (April 30, 1976)	<p>June 2010 Audit &amp; Supervisory Board Member, KOEI TECMO GAMES CO., LTD.</p> <p>July 2013 Director, KOEI TECMO GAMES CO., LTD. (current position)</p> <p>June 2015 Director, the Company (current position)</p> <p>November 2015 Director, KOYU HOLDINGS CO., LTD.</p> <p>April 2017 Managing Director, KOYU HOLDINGS CO., LTD.</p> <p>April 2020 Senior Director, KOYU HOLDINGS CO., LTD. (current position)</p> <p>(Significant concurrent positions) Senior Director, KOYU HOLDINGS CO., LTD. Director, KOEI TECMO GAMES CO., LTD.</p>	1,571,760
<p>[Reasons for electing the person as candidate for Director]</p> <p>Ms. Mei Erikawa has gained experience in management as Director of the Company and KOEI TECMO GAMES CO., LTD. and led Ruby Party and endeavored to develop IPs in many fields as a person responsible for the development of video games and planning and operation of events mainly targeted at women.</p> <p>The Company decided that she is necessary to expand the business of the Company and promote women's participation in business of the Company group from her unique point of view as a woman and requests that shareholders continuously elect her as Director.</p>			
8	Yasuharu Kakiyama (December 30, 1970)	<p>June 2001 Audit &amp; Supervisory Board Member, TECMO, Ltd.</p> <p>June 2004 Director, TECMO, Ltd.</p> <p>March 2006 Director, TECMO WAVE CO., LTD. (currently known as KOEI TECMO WAVE CO., LTD.)</p> <p>March 2007 Chairman (Representative Director), TECMO, Ltd.</p> <p>September 2008 Chairman (Representative Director) and President, TECMO, Ltd.</p> <p>January 2009 Chairman (Representative Director), TECMO, Ltd.</p> <p>April 2009 Chairman (Representative Director), the Company</p> <p>April 2011 Chairman (Representative Director), KOEI TECMO GAMES CO., LTD.</p> <p>June 2013 Director &amp; Advisor, KOEI TECMO GAMES CO., LTD. (current position) Director &amp; Advisor, the Company (current position)</p> <p>(Significant concurrent positions) Director &amp; Advisor, KOEI TECMO GAMES CO., LTD.</p>	455,466
<p>[Reasons for electing the person as candidate for Director]</p> <p>Mr. Yasuharu Kakiyama has experience and achieved results as Chairman (Representative Director) of the Company and KOEI TECMO GAMES CO., LTD.</p> <p>Since the Company decided that he could give advice about the management of the Company and supervise the management of the Company as a manager who had successively worked in different important posts at the Company and the group companies, the Company requests that shareholders continuously elect him as Director.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
9	Masao Tejima (November 18, 1957)	<p>April 1982      Joined Hakuhold Inc.</p> <p>March 1992      President (Representative Director), Aldus K.K. (currently known as Adobe Systems Co., Ltd.)</p> <p>November 1994      President (Representative Director), Macromedia, Inc. (currently known as Adobe Systems Co., Ltd.)</p> <p>February 2001      President (Representative Director), T&amp;T Corporation (current position)</p> <p>March 2006      Representative Director and CEO, OpenTable, Inc.</p> <p>June 2014      Outside Director, the Company (current position)</p> <p>May 2015      Outside Director, zetton Inc. (current position)</p> <p>July 2017      Outside Director, LIVNEX CO.,LTD. (current position)</p> <p>(Significant concurrent positions)</p> <p>President (Representative Director), T&amp;T Corporation</p> <p>Outside Director, zetton Inc.</p> <p>Outside Director, LIVNEX CO.,LTD.</p>	7,248
<p>[Reasons for electing the person as candidate for Outside Director]</p> <p>Mr. Masao Tejima established a number of businesses in the fields of IT and marketing, and also engaged in the management and public offering of companies listed on the NASDAQ as a member of management at the head offices of 3 U.S. companies, and successively worked in different important posts such as representing the Japanese corporations of such companies.</p> <p>Since the Company decided that he could give advice about the management of the Company and supervise the management of the Company from a practical and multilateral perspective utilizing his abundant experience and broad knowledge as a global manager, the Company requests that shareholders continuously elect him as Outside Director.</p>			
10	Hiroshi Kobayashi (April 5, 1957)	<p>April 1980      Joined Nomura Securities Co., Ltd.</p> <p>January 1991      Joined SQUARE CO., LTD. (currently known as SQUARE ENIX CO., LTD.)</p> <p>April 1991      Director, SQUARE CO., LTD.</p> <p>January 2000      Joined DOWANGO Co., Ltd.</p> <p>May 2000      Director, DOWANGO Co., Ltd.</p> <p>September 2000      President (Representative Director), DOWANGO Co., Ltd.</p> <p>December 2012      Director &amp; Consultant, DOWANGO Co., Ltd.</p> <p>June 2015      Outside Director, the Company (current position)</p>	11,280
<p>[Reasons for electing the person as candidate for Outside Director]</p> <p>Mr. Hiroshi Kobayashi successively worked in different important posts in the ever-changing entertainment industry for a long time.</p> <p>Since the Company decided that he could give advice about the management of the Company and supervise the management of the Company utilizing his abundant experience and broad knowledge as a manager, the Company requests that shareholders continuously elect him as Outside Director.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
11	Tatsuo Sato (September 18, 1952)	<p>May 1986 Director, Kadokawa Media Office K.K.</p> <p>June 1992 Managing Director (Representative Director), Kadokawa Media Office K.K.</p> <p>October 1992 Representative Director, MediaWorks, Inc.</p> <p>June 1999 Director, Kadokawa Shoten Publishing Co., Ltd. (currently known as KADOKAWA FUTURE PUBLISHING)</p> <p>April 2000 President (Representative Director), Toys Works K.K.</p> <p>September 2000 Auditor, DOWANGO Co., Ltd.</p> <p>April 2003 President (Representative Director), Character and Anime.com (currently known as chara-ani corporation)</p> <p>June 2004 President (Representative Director), MediaLeaves, Inc. Chairman (Representative Director), Enterbrain K.K.</p> <p>April 2005 Chairman (Representative Director), MediaWorks, Inc.</p> <p>October 2005 Chairman (Representative Director), FUJIMI SHOBO</p> <p>December 2005 President (Representative Director), Kadokawa Mobile K.K. (currently known as BOOK WALKER Co., Ltd.)</p> <p>February 2006 Chairman, President (Representative Director), MediaLeaves, Inc. President (Representative Director), ASCII, K.K.</p> <p>April 2008 President (Representative Director), KADOKAWA GROUP HOLDINGS, INC. (currently known as KADOKAWA FUTURE PUBLISHING)</p> <p>December 2009 Director, DOWANGO Co., Ltd.</p> <p>October 2014 Representative Director and President, KADOKAWA DWANGO CORPORATION (currently known as KADOKAWA CORPORATION)</p> <p>June 2015 Representative Director and Chairman, KADOKAWA DWANGO CORPORATION</p> <p>April 2016 President, KADOKAWA DWANGO educational corporation</p> <p>June 2017 Director, Member of the Board, KADOKAWA DWANGO CORPORATION (currently known as KADOKAWA CORPORATION)</p> <p>June 2018 Outside Director, the Company (current position)</p>	—
<p>[Reasons for electing the person as candidate for Outside Director]</p> <p>Mr. Tatsuo Sato has successively worked in different important posts in the KADOKAWA Group, an integrated entertainment business group, for a long time.</p> <p>Since the Company decided that he could provide advice on management of the Company and supervise management of the Company utilizing his abundant experience and broad knowledge as a manager, the Company requests that shareholders continuously elect him as an Outside Director.</p>			

- Notes:
1. There are no special conflicts of interest between any of the candidates and the Company.
  2. The above-mentioned columns for "Brief profile, position, and responsibility at the Company (Significant concurrent positions)" for Ms. Keiko Erikawa, Mr. Yoichi Erikawa, and Ms. Mei Erikawa, have descriptions including their positions and responsibilities when they are persons who execute duties at present, or for the past five years in KOYU HOLDINGS CO., LTD., which is the parent of our company, and its subsidiaries.
  3. Mr. Masao Tejima, Mr. Hiroshi Kobayashi and Mr. Tatsuo Sato are the candidates for Outside Director.
  4. Mr. Masao Tejima, Mr. Hiroshi Kobayashi and Mr. Tatsuo Sato are currently Outside Directors of the Company, and their term in office as Outside Directors will be 6 years, 5 years and 2 year, respectively, at the conclusion of the Annual Meeting of Shareholders.
  5. The Company has registered Mr. Masao Tejima, Mr. Hiroshi Kobayashi and Mr. Tatsuo Sato as independent executive officers as specified by the Tokyo Stock Exchange, Inc. The Company will continue to appoint them as independent executive officers in the event that they are re-elected.

**Agenda No. 3: Issuance of Subscription Rights to Shares as a Stock Option**

The Company would like to seek approval for the delegation to the Board of Directors of subscription requirement determination for the subscription rights to shares issued as stock options to Directors and employees, and Directors and employees of subsidiaries, to increase the willingness and morale toward the improvement of business performance of the Company group in the following manner pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act.

In addition, the grant of subscription rights to shares to Directors of the Company shall fall under the category of the remunerations set forth in Article 361, Paragraph (1), Item 3 of the Companies Act. The amount of compensation to Directors of the Company was approved to be not more than 800 million yen a year (including compensation to Outside Directors of not more than 50 million yen and excluding the salary of employees) at the 9th Annual Meeting of Shareholders held on June 20, 2018. The agenda is proposed because the Company would like to seek approval also for the grant of subscription rights to shares as compensation to Directors of the Company in addition to such amount of compensation for Directors of the Company.

Furthermore, the number of Directors is currently 11 (including 3 Outside Directors). If Agenda 2 “Election of Eleven (11) Directors” is approved as proposed, the number will remain unchanged.

1. Reasons for issuing subscription rights to shares as stock options under especially advantageous conditions

The Company shall issue subscription rights to shares to Directors and employees of the Company, and Directors and employees of subsidiaries of the Company, for the purpose of increasing the willingness and morale toward the improvement of business performance of the Company group.

Further, the Company considers that the grant of subscription rights to shares to Directors of the Company is for the purpose of stock options and reasonable as compensation of Directors.

2. Paid-in amount for subscription rights to shares

It is not necessary to pay money.

3. Date of allotment of subscription rights to shares

The Company shall delegate the determination to the Board of Directors of the Company.

4. Details of subscription rights to shares

(1) Classes and number of shares underlying subscription rights to shares

The upper limit shall be 1,100,000 shares of common stock of the Company and the number of subscription rights to shares granted to Directors of the Company shall be up to 120,000 shares (including 21,000 shares to Outside Directors) out of such shares.

In the event of a share split or share reverse-split by the Company, the Company shall adjust the number of underlying shares in accordance with the following formula. Provided, however, that such adjustment shall be made with respect to the number of shares underlying the subscription rights to shares which are not exercised at the relevant time, and if there is a fraction less than one (1) share as a result of such adjustment, such fraction shall be discarded.

Number of shares after adjustment = Number of shares before adjustment x Ratio of split or reverse-split

Further, in the event of a merger, company split, share exchange or share transfer (collectively, the “Merger”) or gratis allotment of shares by the Company, or if an adjustment in the number of shares is otherwise necessary, the Company may adjust the number of shares to a reasonable extent in light of the conditions of the Merger or gratis allotment of shares.

(2) Total number of subscription rights to shares

The upper limit shall be 11,000 shares and the number of subscription rights to shares granted to Directors of the Company shall be up to 1,200 shares (including 210 shares to Outside Directors) out of such shares. The number of shares underlying one (1) subscription right to shares (the “Number of Granted Shares”) shall be 100 shares. Provided, however, that if the Company adjusts the number of shares as provided for in (1) above, the Company shall make adjustment in the same manner.

(3) Value of property contributed upon exercise of subscription rights to shares

The value of property contributed upon exercise of subscription rights to shares shall be calculated by multiplying the paid-in amount per share to be issued upon exercise of subscription rights to shares (the “Exercise Price”) by the Number of Granted Shares, and the Exercise Price shall be calculated by multiplying the average value of the closing price for the regular trading of common stock of the Company at the Tokyo Stock Exchange on each day (other than a day on which the trading was not effective) of the month immediately prior to the month containing the day on which subscription rights to shares are allotted (the “Date of Allotment”) by 1.05 and any fraction less than one (1) yen shall be rounded up. Provided, however, that if such amount is less than the closing price on the Date of Allotment (if the trading is not effective, the closing price on the previous day), it shall be the closing price on the Date of Allotment.

In the event of a share split or share reverse-split by the Company after the Date of Allotment, the Company shall adjust the Exercise Price in accordance with the following formula and any fraction less than one (1) yen as a result of adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of split or reverse-split}}$$

Further, if the Company issues new shares or disposes of its treasury shares of common stock of the Company for a price less than market value (other than cases of the sale of treasury shares pursuant to the provisions of Article 194 of the Companies Act (Demand for Sale of Shares Less than One Unit to Holder of Shares Less than One Unit), and conversion or exercise of subscription rights to shares (including those attached to bonds with subscription rights to shares) upon which the issue of securities converted or is convertible into common shares of the Company or issue of common shares of the Company), the Company shall adjust the Exercise Price in accordance with the following formula and any fraction less than one (1) yen as a result of adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of issued shares} + \frac{\text{Number of newly issued shares} \times \text{Paid-in amount per share}}{\text{Market value before issuance of new shares}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}$$

“Number of issued shares” in the abovementioned formula shall be the number calculated by deducting the number of treasury shares of common stock held by the Company from the total number of outstanding common shares of the Company and if the Company disposes of treasury shares, the “number of newly issued shares” shall be replaced with “number of shares to be disposed of.”

Further, in the event of a Merger or gratis allotment of shares by the Company, or if an adjustment to the Exercise Price is otherwise necessary, the Company may adjust the

number of shares to a reasonable extent in light of the conditions of the Merger or gratis allotment of shares.

(4) Period during which subscription rights to shares may be exercised

It shall be three (3) years from the day on which two (2) years have elapsed since the day immediately following the day on which a resolution for allotment of subscription rights to shares was passed. Provided, however, that if the last day of the exercise period falls on a Company holiday, the previous business day shall be the last day.

(5) Capital and capital reserves to be increased if shares are issued upon exercise of subscription rights to shares

(i) The amount of capital to be increased if shares are issued upon exercise of subscription rights to shares shall be 50% of the maximum amount of increase in capital, etc., calculated pursuant to Article 17, Paragraph (1) of the Rules of Corporate Accounting, and if there is a fraction less than one (1) yen as a result of calculation, such fraction shall be rounded up.

(ii) The amount of capital reserves to be increased if shares are issued upon exercise of subscription rights to shares shall be the amount calculated by deducting the amount of capital to be increased set forth in (i) above from the maximum amount of increase in capital, etc. described in (i) above.

(6) Conditions for exercise of subscription rights to shares

(i) The holder of subscription rights to shares shall be required to hold a position of Director, Audit & Supervisory Board Member or employee of the Company or an affiliate of the Company at the time of exercise. Provided, however, that this shall not apply if the Director or Audit & Supervisory Board Member retires upon expiration of the term of office, employee retires at his/her mandatory retirement age, or the Board of Directors of the Company deems that there is a justifiable reason.

(ii) If the holder of subscription rights to shares dies, his/her heir may exercise such rights. The conditions for exercise of subscription rights to shares by the heir shall be subject to the provisions of the agreement described in (iii) below.

(iii) Other conditions for exercise of rights shall be subject to the "Subscription Rights to Shares Allotment Agreement" entered into between the Company and the holder of subscription rights to shares based on a resolution of the Board of Directors.

(7) Conditions for purchase of subscription rights to shares

(i) If the holder of subscription rights to shares no longer satisfies the conditions for exercise of subscription rights to shares pursuant to (6) above, the Company may purchase such subscription rights to shares without any consideration.

(ii) If a bill to approve a merger agreement under which the Company will cease to exist, a bill to approve a share exchange agreement under which the Company will be a wholly-owned subsidiary or a bill for share transfer plan is approved at the general meeting of shareholders of the Company, the Company may purchase subscription rights to shares without any consideration.

(8) Restriction on transfer of subscription rights to shares

Any purchase of subscription rights to shares by transfer shall be subject to approval of the Board of Directors of the Company.

(9) Conditions for purchase of subscription rights to shares upon reorganization

If it is provided for in an agreement or plan prepared upon reorganization through a Merger that the subscription rights to shares of the following joint stock companies shall be issued, the subscription rights to shares of such joint stock companies shall be issued in

accordance with the ratio of the Merger.

- (i) Merger (only if the Company ceases to exist)  
Joint stock company which survives merger or joint stock company which is established through merger
- (ii) Absorption-type company split  
Joint stock company which succeeds all or part of the rights and obligations held by a joint stock company to be absorbed with respect to its business
- (iii) Incorporation-type company split  
Joint stock company established through incorporate-type company split
- (iv) Share exchange  
Joint stock company which purchases all of the shares outstanding of a joint stock company with which shares are exchanged
- (v) Share transfer  
Joint stock company established through share transfer

(10) Discard of fractions resulting from exercise of subscription rights to shares

If there is a fraction less than one (1) share in the number of shares issued to the holder of subscription rights to shares, such fraction shall be discarded.

(11) Other details of subscription rights to shares

Other details of subscription rights to shares and other subscription requirements shall be determined by a resolution of a meeting of the Board of Directors to be separately held.

#### 5. Concrete method of calculation of compensation of Directors

The amount of subscription rights to shares issued as compensation to Directors of the Company shall be calculated by multiplying the fair value per subscription right to shares on the Date of Allotment by the total number of subscription rights to shares allotted to Directors in office on the Date of Allotment (up to 1,200). The fair value of subscription rights to shares shall be calculated using the Black-Scholes model based on the conditions applicable to the Date of Allotment.