

Translation: Please note that the following purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of investors. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

TSE Code: 9697 ISIN: JP3218900003 SEDOL: 6173694 JP

May 26, 2016

To: Shareholders

Notice of Convocation of the 37th Ordinary General Meeting of Shareholders

We would like to express our heartfelt sympathy for the people suffered from the earthquake in Kumamoto areas. We wish the earliest restoration and reconstruction of the suffered areas.

We are pleased to inform you that the 37th Ordinary General Meeting of Shareholders of the Company will be held as described below. Your presence at the Meeting is cordially requested.

If you are unable to attend the Meeting, it is still possible to exercise your voting rights either the methods stated below. To exercise voting rights, please review the Reference Document Concerning the General Meeting of Shareholders below and exercise your rights by 5:30 PM on June 16, 2016 (Thursday), JST.

[In case of exercising voting rights by mail]

Please indicate on the Voting Right Exercise Form enclosed herewith your approval or disapproval of each proposal listed thereon and return the form to the Company before the deadline stated above.

[In case of exercising voting rights via the Internet]

Note: Voting via Internet other than ICJ platform is only available for registered shareholders in Japan with Japanese language only. The ICJ platform is an electronic voting platform for institutional investors via ProxyEdge® system of Broadridge. For further details, please consult with your custodian(s), nominee(s) and/or broker(s).

Exercising a voting right can only be made by accessing the website of Mitsubishi UFJ Trust and Banking Corporation, the administrator of shareholders' register (<http://www.evotep.jp/>). Please use the log-in ID and temporary password which are shown on the Voting Right Exercise Form. After logging in, please indicate your approval or disapproval of each proposal by following the instructions on the display screen before the deadline stated above. Please see the Guidance for the Exercise of Voting Rights via the Internet attached below (p.*-p.* note: intentionally omitted).

In case that a voting right is exercised both by the Voting Right Exercise Form and via the Internet, only the vote registered via the Internet will be recognized as valid.

The Company has participated in the electronic voting right execution platform for institutional investors operated by ICJ, Inc.

(Note)

Your vote is important. We will appreciate your participation in the Meeting through providing instruction to your custodians, brokers, nominees, voting agents or other authorized intermediaries to process your vote as soon as possible. We look forward to receiving your vote.

Yours faithfully,

CAPCOM Co., Ltd.
1-3, Uchihirano-machi 3-chome, Chuo-ku,
Osaka

By: Kenzo Tsujimoto
Chairman and CEO
Representative Director

Particulars

1. Date & Time: June 17, 2016 (Friday) at 10:00 a.m.
(Reception is scheduled to open at 9:00 a.m.)
2. Place: Osaka Castle Hotel, 6F Hall
1-1, Tenmabashikyomachi Chuo-ku, Osaka
3. Agenda:

Matters to be reported:

- 1 Report on the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 37th Fiscal Year (from April 1, 2015 to March 31, 2016); and
- 2 Report on the Results of Audit for Consolidated Financial Statements for the 37th Fiscal Year (from April 1, 2015 to March 31, 2016) by Accounting Auditor and the Board of Corporate Auditors.

Matters to be resolved:

- | | |
|--------------------------|--|
| First proposal: | Proposed Appropriation of Retained Earnings |
| Second proposal: | Partial Amendments to Articles of Incorporation |
| Third proposal: | Election of Seven (7) Directors (excluding Directors who are members of the audit and supervisory committee) |
| Fourth proposal: | Election of Five (5) Directors who are members of the audit and supervisory committee |
| Fifth proposal: | Election of One Director who is a substitute member of the audit and supervisory committee |
| Sixth proposal: | Determination of Amounts of Remuneration for Directors (excluding Directors who are members of the audit and supervisory committee) |
| Seventh proposal: | Determination of Amounts of Remuneration for Directors who are members of the audit and supervisory committee |

Ⓒ When you attend the Meeting in person, please submit the Voting Right Exercise Form enclosed herewith to the receptionist at the place of the Meeting.

Ⓒ For saving natural resources, please take this notice of convocation with you to the Meeting.

Reference Document Concerning the General Meeting of Shareholders

Proposals and reference matters:

First proposal: **Proposed Appropriation of Retained Earnings**

The Company considers returning profits to the shareholders be one of the most important management issues. Its fundamental dividend policy is to provide a stable and continued dividend to the shareholders, taking into account the future business development and changes in operating circumstances.

The Company proposes to make the distribution as the year-end dividend for the fiscal year under review as follows:

1. Type of dividend property: Cash
2. Matters concerning the allotment of dividend property and the total amount paid to shareholders:

¥25 per share of common stock of the Company; the total amount to be ¥1,405,701,000

(Note) The annual dividend for the fiscal year under review is ¥40 per share in total, including an interim dividend of ¥15 per share.

3. Date when dividends of retained earnings take effect: June 20, 2016

Second proposal: **Partial Amendments to Articles of Incorporation**

1. Reason for amendments

(1) The Law amending a part of the Companies Act (Law No. 90 of 2014) was enforced May 1, 2015, under which a company with audit and supervisory committee was established as a newly designed organization.

In connection therewith, for the purpose of further enriching corporate governance attributable to strengthened supervisory function of the Board of Directors, the Company proposes to transfer to a company with audit and supervisory committee. For this purpose, new provisions relating to the audit and supervisory committee and members of the audit and supervisory committee will be set up and provisions relating to Corporate Auditors and the Board of Corporate Auditors will be deleted. For summary of a company with audit and supervisory committee, please refer to Paragraph 2 below.

- (2) In connection with the transfer to a company with audit and supervisory committee, new provisions enabling to commission all or a part of important business execution to Director through resolution of the Board of Directors will be established with a view to complying with changes in circumstances and operating agile management supported by quick decision making.
- (3) Provision enabling Directors exempted from responsibility will be newly established so that it will assist the Company to invite excellent person(s) suitable to Director of the Company. Furthermore, new establishment of Article 32 has been already approved by each of the Corporate Auditors.
- (4) In addition, in connection with establishment and deletion of Articles, the numbers of Articles are adjusted.

2. Summary of a company with audit and supervisory committee

(1) Key Points

- (i) The company with audit and supervisory committee elects a director who is a member of the audit and supervisory committee and engages in duties of audit function under the Articles of Incorporation, and accordingly Corporate Auditor system is unable to be applied to the Company.
- (ii) The audit and supervisory committee consists of three or more audit and supervisory committee members who are Directors and more than half of which must be External Directors.
- (iii) In the case of a company with the board of Corporate Auditors, duties of Corporate Auditors are in principle limited to “audit of legitimacy”, but in case of a company with audit and supervisory committee duties of the audit and supervisory committee is expanded to include “audit of propriety” so that it is possible for the audit and supervisory committee to supervise a wide range of overall management.
- (iv) In the case of the company with audit and supervisory committee, there are two types of Directors, one is Director (having a term of two years) who is a member of the audit and supervisory committee and the other is Director (having a term of one year) other than the above. They are elected separately at the general meeting of shareholders. Remuneration to Directors who are members of the audit and supervisory committee and the remuneration to Directors other than the above must be resolved separately at the general meeting of shareholders.
- (v) In the case of the company with audit and supervisory committee, the audit and supervisory committee as an organization is engaged in audit, making use of an internal control system. For this purpose with a view to facilitating smooth auditing, the Company established internal control headquarters under the guidance of the audit and supervisory committee.

(2) Features

- (i) Corporate Auditors are not granted voting rights at the Board of Directors but Directors who are members of the audit and supervisory committee are granted voting rights at the Board of Directors. This point is substantial difference between the company with board of Corporate Auditors and the company with audit and supervisory committee.
- (ii) In addition to non-existence of audit system by Corporate Auditors in Europe, North America and other foreign countries, and since Corporate Auditors do not have voting rights at the meeting of the Board of Directors, it was difficult to obtain understanding of supervisory function of the Board of Corporate Auditors from institutional investors. But the company with audit and supervisory committee is an organization designed easier to understand compared with the company with the board of corporate auditors.
- (iii) When more than a half of Directors are external or provided so in the Articles of Incorporation, it is allowed to commission power to determine a part of important business execution to executive Director such as Representative Director. Accordingly, in addition to enriching deliberation at the Board of Directors with limiting business of items to important matters at the Board of Directors, it will be made possible to operate agile management supported by quick management decision making.

3. Details of Amendments

Proposed amendments are as follows:

(Parts to be amended are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>CHAPTER I GENERAL PROVISIONS</p> <p>Article 1 (Omitted)</p> <p>Article 3</p> <p>(Organization)</p> <p>Article 4 The Company shall establish the following organizations in addition to the general meeting of shareholders and the Directors</p> <ol style="list-style-type: none"> 1. Board of Directors 2. <u>Corporate Auditors</u> 3. <u>Board of Corporate Auditors</u> 4. <u>Accounting Auditors</u> <p>Article 5 (Omitted)</p> <p>Article 17</p>	<p>CHAPTER I GENERAL PROVISIONS</p> <p>Article 1 (As per current)</p> <p>Article 3</p> <p>(Organization)</p> <p>Article 4 The Company shall establish the following organizations in addition to the general meeting of shareholders and the Directors.</p> <ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit and Supervisory Committee</u> <Deleted> 3. <u>Accounting Auditors</u> <p>Article 5 (As per current)</p> <p>Article 17</p>
<p>CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS</p> <p>(Number of Directors)</p> <p>Article 18 The number of Directors shall be <u>fifteen (15)</u> or less.</p> <p><Newly established></p> <p>(Method of Appointment of Directors)</p> <p>Article 19 Directors of the Company shall be appointed by resolution of the general meeting of shareholders.</p>	<p>CHAPTER IV DIRECTORS, BOARD OF DIRECTORS AND AUDIT AND SUPERVISORY COMMITTEE</p> <p>(Number of Directors)</p> <p>Article 18 The number of Directors <u>(other than Director who are members of the audit and supervisory committee)</u> shall be <u>ten (10)</u> or less.</p> <ol style="list-style-type: none"> 2. <u>The number of Directors who are members of the audit and supervisory committee shall be five (5) or less.</u> <p>(Method of Appointment of Directors)</p> <p>Article 19 Directors of the Company <u>who are members of the audit and supervisory committee and Directors other than the above</u> shall be <u>segregated and appointed separately</u></p>

<p>2. (Omitted) 3.</p> <p>(Term of Directors) Article 20 The term of Directors shall expire at the close of the Ordinary General Meeting of Shareholders last held for the fiscal year ending within one (1) year following the election.</p> <p>< Newly established ></p> <p>< Newly established ></p> <p>< Newly established ></p>	<p>by resolutions of the general meeting of shareholders.</p> <p>2. (As per current) 3.</p> <p>(Term of Directors) Article 20 The term of Directors <u>(other than Directors who are members of the audit and supervisory committee)</u> shall expire at the close of the Ordinary General Meeting of Shareholders last held for the fiscal year ending within one (1) year following the election.</p> <p><u>2. The term of Directors who are members of the audit and supervisory committee shall expire at the close of the Ordinary General Meeting of Shareholders last held for the fiscal year ending within two (2) years following the election.</u></p> <p><u>3. The term of substitute Director who is a member of the audit and supervisory committee and elected for substitute for Director who is a member of the audit and supervisory committee resigned prior to the termination of the term shall terminate at the same time as termination of the term of resigned Director who is a member of the audit and supervisory committee.</u></p> <p><u>4. The period during which resolution for election of substitute Director who is a member of the audit and supervisory committee pursuant to Article 329, Paragraph 3 of the Companies Act expire at the close of the Ordinary General Meeting of Shareholders last held for the fiscal year ending within two (2) years following the election.</u></p>
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(Representative Directors)

Article 21 By resolution of the Board of Directors, Representative Directors shall be chosen.

(Directors with Executive Power)

Article 22 By resolution of the Board of Directors one President shall be appointed from among Directors and according to any necessity the Chairman, Executive Vice President, Senior Managing Director and Managing Director may be appointed in several numbers in each case.

Article 23 (Omitted)

< Newly established >

(Notice of Convocation of the Board of Directors)

Article 24 A notice of convocation of the meeting of the Board of Directors shall be sent to each Director on or before three (3) days prior to the date of such meeting. Provided, however, that in case of urgency, such period may be shortened.

2. In the event that all Directors and Corporate Auditors give unanimous consent, the meetings of the Board of Directors may be held without the formal convocation procedures.

(Representative Directors)

Article 21 By resolution of the Board of Directors, Representative Directors shall be chosen from among Directors (other than Directors who are members of the audit and supervisory committee).

(Directors with Executive Power)

Article 22 By resolution of the Board of Directors, one Chairman and Director and one President and Director each shall be appointed from among Directors (other than Directors who are members of the audit and supervisory committee).

Article 23 (As per current)

(Full time Member of the Audit and Supervisory Committee)

Article 24 The audit and supervisory committee shall be able to appoint full time member of the audit and supervisory committee by its resolution.

(Notice of Convocation of the Board of Directors)

Article 25 A notice of convocation of the meeting of the Board of Directors shall be sent to each Director on or before three (3) days prior to the date of such meeting. Provided, however, that in case of urgency, such period may be shortened.

2. In the event that all Directors give unanimous consent, the meetings of the Board of Directors may be held without the formal convocation procedures.

< Newly established >

(Omission of Resolution of the Board of Directors)

Article 25. In the event that all the Directors consent to matters required to be resolved upon by the Board of Directors in writing or electronic record, the matters so required will be deemed resolved at the Board of Director;
Provided, however, that the foregoing shall not be applicable in case that Corporate Auditors give objection thereto.

< Newly established >

Article 26. (Omitted)

(Notice of Convocation of the Audit and Supervisory Committee)

Article 26 A notice of convocation of the meeting of the Audit and Supervisory Committee shall be sent to each member on or before three (3) days prior to the date of such meeting. Provided, however, that in case of urgency, such period may be shortened.

2. In the event that all Directors give unanimous consent, the meetings of the Board of Directors may be held without the formal convocation procedures.

(Omission of Resolution of the Board of Directors)

Article 27. In the event that all the Directors consent to matters required to be resolved upon by the Board of Directors in writing or electronic record, the matters so required will be deemed resolved at the Board of Directors.

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(Commission of important Business Execution to Director)

Article 28. Pursuant to Article 399-13, Paragraph 6 of the Companies Act, the Company may commission to Director a part or all of the important business execution (other than the items stated in each Item of Paragraph 5) by resolution of the Board of Directors.

Article 29. (As per current)

<Newly established>

(Remunerations, etc. for Directors)

Article 27. The remuneration, bonuses and any other benefit on assets received from the Company in consideration of execution of the duties of the Director (hereinafter referred to as the “remuneration, etc.”) shall be determined by resolution of a general meeting of shareholders.

<Newly established>

(Regulations of the Audit and Supervisory Committee)

Article 30. Affairs related to the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee except as otherwise provided for in the laws and ordinances as well as Articles of Incorporation of the Company.

(Remunerations, etc. for Directors)

Article 31. The remuneration, bonuses and any other benefit on assets received from the Company in consideration of execution of the duties of the Director who are audit and supervisory committee members shall be determined separately from those of the Director other than the aforementioned by resolution of a general meeting of shareholders.

(Exemption of Director’s Liability)

Article 32. The Company may exempt Director including ex-Director from liability provided for in Article 426, Paragraph 1 of the Companies Act to the extent provided for in Article 423, Paragraph 1 of the same Act, and other laws and ordinances by resolution of the Board of Directors.

2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into the liability limit agreement with Director (other than Executive Director) as provided for in Article 423, Paragraph 1 of the same Act. Provided, however, that the limited amount of compensation liability is the minimum liability limit provided for in the laws and ordinances.

CHAPTER V CORPORATE

AUDITORS AND THE BOARD OF
CORPOLATE AUDITORS

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(Number of Corporate Auditors)

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Article 28. The number of Corporate
Auditors of the Company shall be four
(4) or less.

(Method of Appointment of Corporate
Auditors)

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Article 29. Corporate Auditors of the
Company shall be appointed at a
general meeting of shareholders.

2. Resolution for appointment of
Corporate Auditors shall be adopted
by an affirmative vote of the majority
of voting rights of shareholders
present at the general meeting of
shareholders, a quorum for which
shall be the presence of shareholders
with one-third(1/3) or more of the
voting rights exercisable for such
meeting.

(Term of Corporate Auditors)

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Article 30. The term of Corporate
Auditors shall expire at the close of
the Ordinary General Meeting of
Shareholders held with respect to the
last business year that ends within
four (4) years after their appointment.

2. The effectiveness of the election of a
substitute Corporate Auditor pursuant
to Article 329, Paragraph 3 of the
Corporate Law shall continue until the
start of the Ordinary General Meeting
of Shareholders relating to the last
business year that ends within four (4)
years after the election.

3. The term of Corporate Auditors
elected to fill a vacancy shall be
coterminous with the remainder of the
term of the predecessor who has
resigned.

<p><u>(Full-time Corporate Auditors)</u> <u>Article 31. Full-time Corporate Auditors shall be chosen by resolution of the Board of Corporate Auditors.</u></p>	<p>< Deleted ></p>
<p><u>(Notice of Convocation of the Board of Corporate Auditors)</u> <u>Article 32. A notice of convocation of the meeting of the Board of Corporate Auditors shall be sent each Corporate Auditor on or before three (3) days prior to the date of such meeting. Provided, however that in case of urgency, such period may be shortened</u> <u>2. When all Corporate Auditors give unanimous consent, the meeting of the Board of Corporate Auditors may be held without the formal convocation procedure.</u></p>	<p>< Deleted ></p>
<p><u>(Regulations of the Board of Corporate Auditors)</u> <u>Article 33. Any matter relating to the Board of Corporate Auditors shall be governed by laws and regulations, the Articles of Incorporation as well as the Regulations of the Board of Corporate Auditors established by the Board of Corporate Auditors.</u></p>	<p>< Deleted ></p>
<p><u>(Remuneration, etc, for Corporate Auditors)</u> <u>Article 34. The remuneration, etc. for Corporate Auditors shall be determined by resolution of a general meeting of shareholders.</u></p>	<p>< Deleted ></p>
<p>CHAPTER <u>VI</u> ACCOUNTING Article <u>35</u>. (Omitted) Article <u>38</u>.</p>	<p>CHAPTER <u>V</u> ACCOUNTING Article <u>33</u>. (As per current) Article <u>36</u>.</p>

Third proposal: Election of Seven (7) Directors (excluding Directors who are audit and supervisory committee members)

The term of office for all seven (7) Directors shall expire at the closing of this Ordinary General Meeting of Shareholders. Furthermore, the Company will transfer to a company with audit and supervisory committee subject to approval of the Second Proposal “Partial Amendments to Articles of Incorporation”.

Therefore, the Company proposes to elect seven (7) Directors (excluding Directors who are members of the audit and supervisory committee).


Candidates for Directors (excluding Directors who are members of the audit and supervisory committee) are as follows:

Candidate No.	Name	Career position and assignment in the Company	Notes
1	Kenzo Tsujimoto	Chairman and Representative Director Chief Executive Officer (CEO)	Internal Re-election
2	Haruhiro Tsujimoto	Representative Director President and Chief Operating Officer (COO), in charge of Consumer Games Business	Internal Re-election
3	Yoichi Egawa	Director Executive Corporate Officer, in charge of Amusement Equipment Business and Arcade Operations Business	Internal Re-election
4	Kenkichi Nomura	Executive Corporate Officer Head of Finance, Accounting & Public Relations Division	Internal New election
5	Hiroshi Yasuda	Director	External Re-election Independent Director
6	Masao Sato		External New election Independent Director
7	Toru Muranaka		External New election Independent Director

【Criteria of Independence of External Director】

The Company established judgment criteria of independence of External Director by which the Company makes judgment that he/she should be independent External Director if he/she does not fall under any of the following events:

- (i) A business executer of the Company group (“the Company and its consolidated subsidiaries” and the same applicable hereinafter) currently or in the past ten (10) years;
- (ii) A main business partner or a business executer of such business partner (enterprise and the like), “main” meaning that an amount involved in transactions between the Company group and the business partner accounts for not less than one (1) % of the Company group or the business partner (as the case may be) on an annual basis;
- (iii) A person or enterprise having main business relationship with the Company group or a business executer of such enterprise, “main” meaning that an amount involved in transactions between the Company group and such enterprise accounts for not less than one (1) % of the Company group or such enterprise (as the case may be) on an annual basis;
- (iv) The principle shareholders of the Company (holding not less than 10% of the total voting rights) or a business executer of such shareholder or corporation of which the Company group is principle shareholder;
- (v) A business executer of organization or corporation to which the Company group donated, financed or guaranteed in a large amount;
- (vi) A business executer of corporation with which the Company group has cross Directorship;
- (vii) Lawyer, certified public accountant, consultant and the like who received ¥10 million or more in cash or assets per annum (in case of corporation or association who receives such assets, person belonging to such corporation or association that an amount involved in transactions between the Company group accounts for not less than one (1) % of the consolidated net sales or trading value of the Company group (as the case may be) on an annual basis) and ¥10 million or more.
- (viii) In case of (ii) to (vii) above, person falling under any of business year in the past five (5) years; and
- (ix) Spouse or relative within the second degree of kinship of the person falling under any of (i) to (viii) above.

Candi- date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
1	<p data-bbox="312 456 507 488">Kenzo Tsujimoto</p>  <p data-bbox="386 797 651 837">Internal Re-election</p> <ul data-bbox="325 855 703 1135" style="list-style-type: none"> • Date of birth: December 15, 1940 • Term of office: 33 years • Attendance of the Board of Directors meetings: 14/14 times (100%) • Number of shares of the Company held: 2,009,090 shares 	<p data-bbox="738 483 1382 539">July 1985: President and Representative Director of the Company</p> <p data-bbox="738 539 1374 645">Apr. 1997: Head of The Association of Copyright for Computer Software (Currently The General Incorporated Association of Copyright for Computer Software) (to present)</p> <p data-bbox="738 645 1422 701">Apr. 2001: Chief Executive Officer (CEO) of the Company (to present)</p> <p data-bbox="738 701 1386 757">July 2007: Chairman and Representative Director of the Company (to present)</p> <p data-bbox="738 757 1430 813">Feb. 2010: Representative Director of Kenzo Estate Winery Japan Co., Ltd. (to present)</p> <p data-bbox="738 831 1422 965">[Important concurrent office of other organizations] Representative Director of Kenzo Estate Winery Japan Co., Ltd. Head of The General Incorporated Association of Copyright for Computer Software</p>


【Reasons for nomination】

Mr. Kenzo Tsujimoto has promoted the Company with his strong leadership as a top of management, in addition to exceeded ability to grasp future development and abundant experience, by virtue of his power for swift determination and execution. His existence as a charismatic founder of the Company is mental pole as well as centripetal force of the Company's people, officers, and employees.

Taking into consideration results of the Company until today, the Company continues to ask shareholders to elect him since the Company could expect him to contribute to the enhancement of the corporate value of the Company hereafter.

【Special Interests between the candidate and the Company】

He is concurrently the representative director of Kenzo Estate Winery Japan Co., Ltd., with which the Company has a trading relationship including purchase of its products, etc.

Candi- date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
2	<p data-bbox="312 416 568 450">Haruhiro Tsujimoto</p>  <p data-bbox="387 757 651 797">Internal Re-election</p> <ul data-bbox="323 815 715 1055" style="list-style-type: none"> • Date of birth: October 19, 1964 • Term of office: 19 years • Attendance of the Board of Directors meetings: 14/14 times (100%) • Number of shares of the Company held: 2,202,950 shares 	<p data-bbox="738 445 1177 474">Apr. 1987: Entered into the Company</p> <p data-bbox="738 474 1161 504">June 1997: Director of the Company</p> <p data-bbox="738 504 1286 533">Feb. 1999: Managing Director of the Company</p> <p data-bbox="738 533 1366 562">Apr. 2001: Senior Managing Director of the Company</p> <p data-bbox="738 562 1425 607">July 2004: Director and Executive Corporate Officer of the Company</p> <p data-bbox="738 607 1390 658">Apr. 2006: Director and Executive Vice President of the Company</p> <p data-bbox="738 658 1398 741">July 2007: Representative Director, President and Chief Operating Officer (COO) of the Company (to present)</p> <p data-bbox="738 741 1425 792">Feb. 2015: Representative Director, in charge of Consumer Games Business of the Company (to present)</p>


【Reasons for nomination】

Mr. Haruhiro Tsujimoto has, since assumption of the office of President, been engaged in deep plowing of the existing business and diversifying business fields such as strengthening soft ware development, the core business of the Company and promoting one contents multi-use development. He contributed to strengthening steadily management base by agile management suited for environment changes and steady management method.

The Company continues to ask shareholders to elect him since the Company could expect him to contribute to the development of the Company hereafter.

【Special Interests between the candidate and the Company】

There is no special interest relationship between Mr. Tsujimoto and the Company.


Candi- date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
3	<p data-bbox="312 412 472 445">Yoichi Egawa</p>  <p data-bbox="384 757 651 797">Internal Re-election</p> <ul data-bbox="320 813 683 1064" style="list-style-type: none"> • Date of birth: November 15, 1963 • Term of office: 3 years • Attendance of the Board of Directors meetings: 13/14 times (92.9%) • Number of shares of the Company held: 1,500 shares 	<p data-bbox="735 443 1177 472">Apr. 1985: Entered into the Company</p> <p data-bbox="735 472 1410 524">Apr. 1999: General Manager of Creative Division 5 of the Company</p> <p data-bbox="735 524 1326 575">Aug. 1999: Corporate Officer, General Manager of Creative Division 5 of the Company</p> <p data-bbox="735 575 1426 627">Apr. 2005 Corporate Officer, Head of Contents Expansion Business Division of the Company</p> <p data-bbox="735 627 1433 678">Apr. 2006: Corporate Officer, Head of Pachinko & Pachislo Business Division of the Company</p> <p data-bbox="735 678 1394 707">Apr. 2011: Managing Corporate Officer of the Company</p> <p data-bbox="735 707 1433 759">Apr. 2013: Executive Corporate Officer of the Company (to present)</p> <p data-bbox="735 759 1417 810">June 2013: Director, in charge of Arcade Business and Pachinko & Pachislo Business of the Company</p> <p data-bbox="735 810 1433 862">Apr. 2015: Director, in charge of Amusement Equipment Business and Arcade Operations Business of the Company (to present)</p>

【Reasons for nomination】

Mr. Yoichi Egawa has, since the entrance into the Company, been engaged in development, manufacture, sales and operation of amusement facilities for many years so that he owns high profession, abundant experience and know-how. He is fully acquainted with a wide range of knowledge and practice with respect to overall games and it is expected for him to contribute to expansion of the Company's overall business so that the Company asks shareholders to continue to elect him Director.

【Special Interests between the candidate and the Company】

There is no special interested relationship between Mr. Egawa and the Company.


Candi- date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
4	<p data-bbox="312 416 528 450">Kenkichi Nomura</p>  <p data-bbox="376 763 663 797">Internal New election</p> <ul data-bbox="323 815 683 909" style="list-style-type: none"> • Date of birth: May 18, 1955 • Number of shares of the Company held: 1,200 shares 	<p data-bbox="738 445 1410 501">Apr. 1979: Entered into Fuji Bank Ltd. (Currently Mizuho Bank Ltd.)</p> <p data-bbox="738 501 1410 580">Apr. 2007: Corporate Officer and Division Manager of Finance and Foreign Exchange Administration Service Division of Mizuho Bank Ltd.</p> <p data-bbox="738 580 1410 636">Apr. 2009: Corporate Officer in charge of Internal Control of the Company</p> <p data-bbox="738 636 1410 714">Jul. 2010: Managing Corporate Officer in charge of Financial and Accounting Division of the Company</p> <p data-bbox="738 714 1410 815">Jun. 2015: Managing Corporate Officer in charge of Financial and Accounting Division and Secretarial Affairs, PR and IR Division of the Company</p> <p data-bbox="738 815 1410 898">Apr. 2016: Executive Corporate Officer and Head of Finance, Accounting and Public Relations Division (to present)</p>

【Reasons for nomination】

In addition to professional knowledge and affluent practical experience acquired during his office at financial institution, Mr. Kenkichi Nomura has, since the entrance into the Company, been engaged in finance and accounting business so that he is specialist in these fields. He is currently in charge of accounting, finance and public relation and IR. Since it is expected for him to discharge duties of Executive Corporate Officer the Company asks shareholders newly to elect him Director.

【Special Interests between the candidate and the Company】

There is no special interested relationship between Mr. Nomura and the Company.

Candi- date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
5	<p>Hiroshi Yasuda</p>  <p>External Re-election Independent Director</p> <ul style="list-style-type: none"> • Date of birth: May 14, 1932 • Term of office: 9 years • Attendance of the Board of Directors meetings: 14/14 times (100%) • Number of shares of the Company held: 2,700 shares 	<p>Apr. 1957: Entered into the Ministry of Finance Nov. 1973: Personal Secretary to the Minister of Finance Jan. 1977: Executive Secretary to the Prime Minister June 1988: Deputy Vice Minister of Finance June 1990: Director-General of the Budget Bureau of the Ministry of Finance June 1991: Administrative Vice Minister of Finance May 1994: Governor of the Export-Import Bank of Japan Oct. 1999: Governor of Japan Bank for International Cooperation Sept. 2001: Advisor of the Kansai Electric Power Co., Inc. Jan. 2002: Chairman of Yomiuri International Economic Society (to present) July 2002: President of Japan Investor Protection Fund June 2004: External Corporate Auditor of Shiseido Co., Ltd. Aug. 2004: President of Capital Market Promotion Foundation (Currently Capital Market Promotion Public Interest Incorporated Foundation) June 2007: External Director of the Company (to present) Jan. 2014: Advisor of Capital Market Promotion Public Interest Incorporated Foundation (to present)</p>

【Reasons for nomination】

Mr. Hiroshi Yasuda has career as numerous important positions such as Vice Minister of Finance and exceeded knowledge and affluent experience so that he delivers objective proposals over the wide range of management from standpoints of wide and long-term views. He has no direct management experiences for the private companies other than acting as External Directors and/or External Corporate Auditors. Since it is expected to strengthen supervisory function of the Board of Directors from his fair and independent position, the Company asks shareholders to continue to elect him External Director.

He would have been nine (9) years since assumption of office of External Director at the close of this Ordinary General Meeting of Shareholders.

【Special Interests between the candidate and the Company】

There is no special interested relationship between Mr. Yasuda and the Company.


【Independence】

The Company filed him to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that he is elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

【Liability Limit Agreement】

When his election is approved, subject to approval of the Second Proposal “Partial Amendments to Articles of Incorporation”, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company is scheduled to enter into a liability limit agreement limiting a compensation liability provided for in Article 423, Paragraph 1 of the Companies Act with him.

Furthermore, the limited amount of compensation liability is the minimum liability limit provided for in laws and ordinances.

Candi-date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
6	<p>Masao Sato</p>  <p>External New election Independent Director</p> <ul style="list-style-type: none"> • Date of birth: Feb 25, 1951 • Number of shares of the Company held: 0 shares 	<p>Apr. 1975: Entered into the National Police Agency Nov. 1995: Chief of Ehime Prefectural Police Headquarters Jan. 2001: Chief of Miyagi Prefectural Police Headquarters Aug. 2005: Chief of Chiba Prefectural Police Headquarters Jan. 2007: Director General of Kanto Regional Police Bureau Mar. 2008: Resigned from the National Police Agency Jun. 2008: External Corporate Auditor of the Chugoku Electric Power Co., Inc. (to present)</p> <p>[Important concurrent office of other organizations] External Corporate Auditor of the Chugoku Electric Power Co., Inc.</p>

【Reasons for nomination】

Mr. Masao Sato had been engaged in administration of the National Police Agency for many years so that he is acquainted with a wide range of professional knowledge on overall laws and abundant experience. Accordingly, the Company made judgment that he will duly discharge duties as External Director although he has not participated in management of companies other than in the way as External Corporate Auditor.

In the light of transferring to a company with audit and supervisory committee, as it is expected that he will contribute to strengthen audit and supervision of the Board of Directors from the viewpoint of securing legitimacy.

【Special Interests between the candidate and the Company】


There is no special interested relationship between Mr. Sato and the Company.

【Independence】

When elected, he is scheduled to be newly an independent officer.

【Liability Limit Agreement】

When his election is approved, subject to resolution for approval of the Second Proposal “Partial Amendments to Articles of Incorporation”, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company is scheduled to enter into a liability limit agreement limiting a compensation liability provided for in Article 423, Paragraph 1 of the Companies Act with him. Furthermore, the limited amount of compensation liability is the minimum liability limit provided for in laws and ordinances.

Candi- date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
7	<p>Toru Muranaka</p>  <p>External New election Independent Director</p> <ul style="list-style-type: none"> • Date of birth: June 3, 1965 • Number of shares of the Company held: 0 shares 	<p>Apr. 1995: Registered Lawyer (Osaka Bar Association) Entered into Daiichi Law Office (Currently Daiichi Law Office, P.C.)</p> <p>Dec. 2007: Partner of Daiichi Law Office, P.C. (to present)</p> <p>May 2014: Outside Audit & Supervisory Board Member of Furuno Electric Co., Ltd. (to present)</p> <p>Jun. 2015: Outside Audit & Supervisory Board Member of Suzuken Co., Ltd. (to present)</p> <p>[Important concurrent office of other organizations] Partner of Daiichi Law Office, P.C. External Corporate Auditor of Furuno Electric Co., Ltd. External Corporate Auditor of Suzuken Co., Ltd.</p>

【Reasons for nomination】

Mr. Toru Muranaka has not participated in management of companies other than in the way as External Corporate Auditor. He is a lawyer specialized in the field of the Companies Act and Financial Instruments and Exchange Act and others and holds a high level of professional knowledge and a wide range of insight, opinions and thought so that the Company made judgment that he will be able to duly discharge duties as External Director. .

In the light of transferring to a company with audit and supervisory committee, as it is expected that he will contribute to strengthen audit and supervision of the Board of Directors from the viewpoint of securing legitimacy. Accordingly the Company asks shareholders to elect him as External Director.

Furthermore, he is a member of Legal Professional Corporation (LPC) *Dai-Ichi Houritujimusho* with which the Company has entered into legal counsel agreement. Since the total amount involved in transactions between the two parties on an annual basis accounts for less than one (1) % of consolidated net sales of the Company and less than ¥10 million, the Company made judgment that such agreement does not affect the independence of External Director as he meets to the criteria laid down by the Company.

【Special Interests between the candidate and the Company】

There is no special interested relationship between Mr. Muranaka and the Company.

【Independence】

When elected, he is scheduled to be newly an independent officer.

【Liability Limit Agreement】

When his election is approved, subject to resolution for approval of the Second Proposal “Partial Amendments to Articles of Incorporation”, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company is scheduled to enter into a liability limit agreement limiting a compensation liability provided for in Article 423, Paragraph 1 of the Companies Act with him.

Furthermore, the limited amount of compensation liability is the minimum liability limit provided for in laws and ordinances.


Fourth proposal: Election of Five (5) Directors who are members of the audit and supervisory committee

The Company will transfer to a company with audit and supervisory committee subject to approval of the Second Proposal “Partial Amendments to Articles of Incorporation”. In connection therewith, the Company asks shareholders to elect five (5) Directors who are members of the audit and supervisory committee.

Furthermore, the Board of Corporate Auditors consented to this Proposal.

Candidates for Directors who are members of the audit and supervisory committee are as follows while they are two Corporate Auditors (including one External Corporate Auditor) currently in office, one Executive Director and two External Directors proposed to be newly elected. They each hold exceeded level of insights, thoughts and professional knowledge as well as affluent experience in each of the fields. Well balanced structure will enable the Company to carry out strong audit and supervision from multiple view points.

Candidate No.	Name	Career position and assignment in the Company	Notes
1	Kazushi Hirao	Auditor (Full-time)	Internal New election
2	Yoshihiko Iwasaki	Auditor (Full-time)	External New election Independent Director
3	Tamio Oda	Director Executive Vice President and Chief Financial Officer (CFO), in charge of Corporate Management	Internal New election
4	Makoto Matsuo	Director	External New election Independent Director
5	Takayuki Morinaga	Director	External New election Independent Director

Candi-date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
1	<p data-bbox="312 416 485 443">Kazushi Hirao</p>  <p data-bbox="376 763 660 797">Internal New election</p> <ul data-bbox="325 815 683 1032" style="list-style-type: none"> • Date of birth: September 25, 1951 • Attendance of the Board of Directors meetings: 13/14 times (92.9%) • Number of shares of the Company held: 4,800 shares 	<p data-bbox="740 445 1177 472">June 1988: Entered into the Company</p> <p data-bbox="740 472 1430 524">Apr. 1997: General Manager of Overseas Business Dept. of the Company</p> <p data-bbox="740 524 1430 575">July 1999: Corporate Officer, General Manager of Overseas Business Dept. of the Company</p> <p data-bbox="740 575 1430 627">Oct. 2002: General Manager of General Affairs Dept. of the Company</p> <p data-bbox="740 627 1430 678">Apr. 2004: Senior Manager of Investor Relations Section of the Company</p> <p data-bbox="740 678 1430 730">June 2004: Corporate Auditor of the Company (full-time)(to present)</p>

【Reasons for nomination】

Mr. Kazushi Hirao has been enriched with international sense based on experience of engagement in overseas local companies for a long period and acting as corporate auditor has audited the Company and domestic and overseas subsidiaries of the Company from the global viewpoints.


In the light of transferring to a company with audit and supervisory committee, as it is expected that he will hereafter contribute to strengthen audit and supervision of the Board of Directors based on professional knowledge and experience cultivated through activities as corporate auditor. Accordingly the Company asks shareholders to elect him as a member of the audit and supervisory committee.

【Special Interests between the candidate and the Company】

There is no special interested relationship between Mr. Hirao and the Company.

【Liability Limit Agreement】

When his election is approved, subject to resolution for approval of the Second Proposal “Partial Amendments to Articles of Incorporation”, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company is scheduled to enter into a liability limit agreement limiting a compensation liability provided for in Article 423, Paragraph 1 of the Companies Act with him. Furthermore, the limited amount of compensation liability is the minimum liability limit provided for in laws and ordinances.

Candi- date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
2	<p data-bbox="312 416 536 443">Yoshihiko Iwasaki</p>  <div data-bbox="371 757 667 795" style="border: 1px solid black; padding: 2px; display: inline-block;"> External New election </div> <ul data-bbox="323 813 683 1003" style="list-style-type: none"> • Date of birth: May 19, 1952 • Attendance of the Board of Directors meetings: 14/14 times (100%) • Number of shares of the Company held: 2,300 shares 	<p data-bbox="738 443 1431 577">Apr. 1979: Entered into National Tax Agency July 1986: District Director of Ijuin Tax Office July 1997: Deputy Commissioner (Revenue Management and Collection) of Hiroshima Regional Taxation Bureau</p> <p data-bbox="738 577 1377 656">July 1999: Deputy Commissioner (Large Enterprise Examination and Criminal Investigation) of Hiroshima Regional Taxation Bureau</p> <p data-bbox="738 656 1369 712">July 2003: Director of Commissioner's Secretariat, the National Tax Agency</p> <p data-bbox="738 712 1439 790">July 2007: Assistant Regional Commissioner (Management and Co-ordination) of Nagoya Regional Taxation Bureau</p> <p data-bbox="738 790 1377 824">July 2008: Executive Director of National Tax College</p> <p data-bbox="738 824 1390 869">July 2009: Director-General of Kanazawa Regional Tax Tribunal</p> <p data-bbox="738 869 1366 925">July 2010: Director-General of Sapporo Regional Tax Tribunal</p> <p data-bbox="738 925 1326 958">July 2011: Vice President of National Tax College</p> <p data-bbox="738 958 1382 1003">June 2012: External Corporate Auditor of the Company (full-time)(to present)</p>

【Reasons for nomination】

Since Mr. Yoshihiko Iwasaki holds knowledge on finance and accounting in addition to professional knowledge and abundant experience on tax administration, he delivers advice and assistance from the viewpoint of external officer to the extent of external corporate auditor's duties. He has no direct management experiences for the private companies other than acting as External Corporate Auditors.

In the light of transferring to a company with audit and supervisory committee, as it is expected that he will contribute to strengthen audit and supervision of the Board of Directors, the Company asks shareholders to elect him as External Director.

He will have been four (4) years at the close of this General Meeting since assumption of office as corporate auditor.

【Special Interests between the candidate and the Company】

There is no special interested relationship between Mr. Iwasaki and the Company.


【Independence】

The Company filed him to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that he is elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

【Liability Limit Agreement】

When his election is approved, subject to resolution for approval of the Second Proposal "Partial Amendments to Articles of Incorporation", pursuant to Article 427, Paragraph 1 of the Companies Act, the Company is scheduled to enter into a liability limit agreement limiting a compensation liability provided for in Article 423, Paragraph 1 of the Companies Act with him.

Furthermore, the limited amount of compensation liability is the minimum liability limit provided for in laws and ordinances.

Candi-date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
3	<p>Tamio Oda</p>  <p>Internal New election</p> <ul style="list-style-type: none"> • Date of birth: August 28, 1946 • Attendance of the Board of Directors meetings: 14/14 times (100%) • Number of shares of the Company held: 10,300 shares 	<p>May 2001: Advisor of the Company June 2001: Director of the Company June 2003: Managing Director of the Company July 2004: Director, Executive Corporate Officer, Chief Financial Officer (CFO) and in charge of Corporate Strategies, Administration, President's Office, Affiliated Companies' Management of the Company July 2007: Director, in charge of Corporate Management of the Company (to present) July 2010: Director, Chief Financial Officer (CFO) of the Company (to present) Apr. 2011: Director, Executive Vice President of the Company (to present)</p>

【Reasons for nomination】


Mr. Tamio Oda engages in business execution of overall management of the Company facilitating his power to take action aggressively with long and wide view in addition to his wide range of knowledge and thought for strengthening the corporate governance and compliance management based on his deep understanding of the Companies Act. In the light of transferring to a company with audit and supervisory committee, as it is expected that he will contribute to strengthen audit and supervision of the Board of Directors based on a wide range of experience accumulated up to date, the Company asks shareholders to elect him as a member of the audit and supervisory committee.

【Special Interests between the candidate and the Company】

There is no special interested relationship between Mr. Oda and the Company.

【Liability Limit Agreement】

When his election is approved, subject to resolution for approval of the Second Proposal "Partial Amendments to Articles of Incorporation", pursuant to Article 427, Paragraph 1 of the Companies Act, the Company is scheduled to enter into a liability limit agreement limiting a compensation liability provided for in Article 423, Paragraph 1 of the Companies Act with him. Furthermore, the limited amount of compensation liability is the minimum liability limit provided for in laws and ordinances.

Candi- date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
4	<p data-bbox="312 495 517 524">Makoto Matsuo</p>  <div data-bbox="373 837 667 927" style="border: 1px solid black; padding: 2px; display: inline-block;"> External New election </div> <div data-bbox="373 887 660 927" style="border: 1px solid black; padding: 2px; display: inline-block;"> Independent Director </div> <ul data-bbox="325 943 683 1128" style="list-style-type: none"> • Date of birth: May 28, 1949 • Attendance of the Board of Directors meetings: 13/14 times (92.9%) • Number of shares of the Company held: 3,700 shares 	<p data-bbox="740 501 1417 539">Apr. 1975: Admitted to Japanese Bar (The Dai-ichi Tokyo Bar Association) Ozaki & Momo-o</p> <p data-bbox="740 551 1321 584">Aug. 1978: Weil, Gotshal & Manges in New York</p> <p data-bbox="740 584 1193 613">Mar. 1979: Admitted to New York Bar</p> <p data-bbox="740 613 1353 658">Apr. 1989: Partner of Momo-o, Matsuo & Namba (to present)</p> <p data-bbox="740 658 1406 712">Apr. 1997: Lecturer of Nihon University, Faculty of Law: International Transaction Law</p> <p data-bbox="740 712 1422 766">June 1999: External Corporate Auditor of Victor Company of Japan, Limited</p> <p data-bbox="740 766 1401 819">June 2000: External Corporate Auditor of Billing System Corporation</p> <p data-bbox="740 819 1374 873">June 2003: External Corporate Auditor of Yamanouchi Pharmaceutical, Co., Ltd.</p> <p data-bbox="740 873 1321 902">June 2004: External Director of the said Company</p> <p data-bbox="740 902 1426 976">Apr. 2005: External Director of Astellas Pharma Inc. Lecturer of Hitotsubashi University Faculty and Graduate School of Law: World Business Law</p> <p data-bbox="740 976 1406 1008">June 2007: External Director of the Company (to present)</p> <p data-bbox="740 1008 1437 1061">Oct. 2008: External Director of JVC KENWOOD Holdings, Inc.</p> <p data-bbox="740 1061 1422 1115">June 2009: External Corporate Auditor of Toray Industries, Inc.</p> <p data-bbox="740 1115 1426 1169">Mar. 2015: External Director of TonenGeneral Sekiyu K.K. (to present)</p> <p data-bbox="740 1191 1326 1267">[Important concurrent office of other organizations] Partner of Momo-o, Matsuo & Namba External Director of TonenGeneral Sekiyu K.K.</p>

【Reasons for nomination】

Since Mr. Makoto Matsuo actively engages in the legal community based on a high level of professional knowledge and a wide range of insight and thought as a lawyer as well as is acquainted with the business world through abundant experience accumulated by a lot of career as external officer of numerous number of listed companies, he delivers guidance and advice from legal and other viewpoints at the Board of Directors and the like.

In the light of transferring to a company with audit and supervisory committee, it is expected that he will reflect professional knowledge on management of the Company hereafter, the Company asks shareholders to elect him as External Director although he has no direct management experiences for the private companies other than acting as External Directors and/or External Corporate Auditors.

Furthermore, he is a partner lawyer of *Momoo Matsuo & Nanba* with which the Company has entered into legal counsel agreement. Since the total amount involved in transactions between the two parties on an annual basis accounts for less than one (1) % of consolidated net sales of the Company and less than ¥10 million, the Company made judgment that such agreement does not affect the independence of External Director as he meets to the criteria laid down by the Company. He will have been (9) years at the close of this General Meeting since assumption of office as External Director.

【Special Interests between the candidate and the Company】


There is no special interested relationship between Mr. Matsuo and the Company.

【Independence】

The Company filed him to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that he is elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

【Liability Limit Agreement】

When his election is approved, subject to resolution for approval of the Second Proposal “Partial Amendments to Articles of Incorporation”, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company is scheduled to enter into a liability limit agreement limiting a compensation liability provided for in Article 423, Paragraph 1 of the Companies Act with him. Furthermore, the limited amount of compensation liability is the minimum liability limit provided for in laws and ordinances.

Candi-date No.	Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
5	<p>Takayuki Morinaga</p>  <p><u>External</u> <u>New-election</u> <u>Independent Director</u></p> <ul style="list-style-type: none"> • Date of birth: September 5, 1940 • Attendance of the Board of Directors meetings: 14/14 times (100%) • Number of shares of the Company held: 4,500 shares 	<p>Apr. 1964: Entered into the Export-Import Bank of Japan Apr. 1992: General Manager of Personnel Division of the said Bank Apr. 1994: General Manager, Osaka Branch of the said Bank Apr. 1996: Senior General Manager of the said Bank Sept. 1998: Managing Director of Yazaki Corporation Sept. 2000: Senior Managing Director of the said Company June 2006: Vice Chairman of the said Company June 2007: Director and Executive Councilor of the said Company June 2008: Advisor of the said Company June 2009: External Director of the Company (to present)</p>

【Reasons for nomination】

Mr. Takayuki Morinaga actively speaks from independent position such as proposing to management strategy and business renovation with specifically pointing out concerned aspects based on management practical experience accumulated through other companies and a wide range of knowledge and view.

In the light of transferring to a company with audit and supervisory committee, as it is expected that he will contribute to strengthening audit and supervision of the Board of Directors, the Company asks shareholders to elect him as External Director.

He will have been seven (7) years at the close of this General Meeting since assumption of office as External Director.

【Special Interests between the candidate and the Company】

There is no special interested relationship between Mr. Morinaga and the Company.

【Independence】

The Company filed him to the Tokyo Stock Exchange, Inc., as an independent director so defined therein. In the event that he is elected, the Company plans to continue filing him to the Tokyo Stock Exchange, Inc., to be an independent director.

【Liability Limit Agreement】

When his election is approved, subject to resolution for approval of the Second Proposal “Partial Amendments to Articles of Incorporation”, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company is scheduled to enter into a liability limit agreement limiting a compensation liability provided for in Article 423, Paragraph 1 of the Companies Act with him. Furthermore, the limited amount of compensation liability is the minimum liability limit provided for in laws and ordinances.

【Reference】

- (i) In case of the Third Proposal “Election of Seven (7) Directors (excluding Directors who are members of the audit and supervisory committee)” and the Fourth Proposal “Election of Five (5) Directors who are members of the audit and supervisory committee” resolved for approval as proposed, six (6) Directors out of twelve (12) Directors of the Company will be External Directors. Furthermore, six (6) External Directors will be independent officers.
- (ii) Following the close of this General Meeting, the Board of Directors and the Audit and Supervisory Committee will establish nominating committee (not legally required), in addition to remuneration committee (not legally required) and will elect each member as follows:


Audit Committee	Takayuki Morinaga (Chairman, A member of Audit and Supervisory Committee, External Director) Kazushi Hirao (Full time member of Audit and Supervisory Committee, Director) Yoshihiko Iwasaki (Full time member of Audit and Supervisory Committee, External Director) Tamio Oda (A member of Audit and Supervisory Committee, Director) Makoto Matsuo (A member of Audit and Supervisory Committee, External Director)
Remuneration Committee	Hiroshi Yasuda (Chairman, External Director) Kazushi Hirao (Full time member of Audit and Supervisory Committee, Director) Takayuki Morinaga (A member of Audit and Supervisory Committee, External Director)
Nominating Committee	Yoshihiko Iwasaki (Full time member of Audit and Supervisory Committee, External Director) Kenkichi Nomura (Director) Toru Muranaka (External Director)

Fifth proposal: Election of One (1) Substitute Director who shall be a member of the audit and supervisory committee

The Company will transfer to a company with audit and supervisory committee subject to approval of Second Proposal “ Partial Amendments to Articles of Incorporation”. In connection therewith, in preparation of the case in which the number of Directors who are audit and supervisory committee members reduces below the number legally required, the Company asks shareholders to elect one (1) substitute Director who shall be member of the audit and supervisory in advance.

The Board of Corporate Auditors has given consent to this proposal.

The following is candidate for substitute Director who shall be member of the audit and supervisory committee:

Name (Date of birth, Term of office, Number of shares of the Company held)	Resume, position, responsibility, important concurrent office of other organizations
<p data-bbox="225 929 438 963">Hitoshi Kanamori</p>  <div data-bbox="236 1227 624 1328" style="border: 1px solid black; padding: 2px;"> <p data-bbox="256 1234 603 1317">Substitute Director who is a member of the audit and supervisory committee</p> </div> <ul data-bbox="236 1335 608 1429" style="list-style-type: none"> <li data-bbox="236 1335 608 1361">• Date of birth: August 1, 1954 <li data-bbox="236 1364 608 1429">• Number of shares of the Company held: 0 shares 	<p data-bbox="639 965 1348 1016">Apr. 1984: Public Prosecutor of Tokyo District Public Prosecutors Office</p> <p data-bbox="639 1019 1348 1070">Apr. 1985: Public Prosecutor of Yamagata District Public Prosecutors Office</p> <p data-bbox="639 1072 1348 1124">Apr. 1988: Public Prosecutor of Niigata District Public Prosecutors Office</p> <p data-bbox="639 1126 1348 1178">Apr. 1990: Public Prosecutor of Tokyo District Public Prosecutors Office</p> <p data-bbox="639 1180 1348 1209">Apr. 1992: Registered Lawyer (Tokyo Bar Association)</p> <p data-bbox="639 1211 1348 1240">Apr. 1993: Partner of Sanno Law Office (to present)</p> <p data-bbox="639 1243 1348 1294">Feb. 1996: Director of the Board, Social Welfare Corporation Musashinokai (to present)</p> <p data-bbox="639 1296 1348 1415">Apr. 2002: Trustee of the Association for International Manpower Development of Medium and Small Enterprises, Japan (Currently International Manpower Development Organization, Japan) (to present)</p> <p data-bbox="639 1417 1348 1469">Apr. 2005: Visiting Professor of University of Tsukuba Law School</p> <p data-bbox="639 1471 1348 1523">Jun. 2012: Substitute Corporate Auditor of the Company (to present)</p> <p data-bbox="639 1525 1348 1576">Jun. 2015: External Corporate Auditor of Astellas Pharma Inc. (to present)</p> <p data-bbox="639 1579 1348 1630">[Important concurrent office of other organizations] External Corporate Auditor of Astellas Pharma Inc.</p>

【Reasons for nomination as a Candidate of Substitute Director as a member of the audit and supervisory committee】

Mr. Hitoshi Kanamori holds knowledge and abundant experience as a lawyer. Since it is expected that he will contribute to the enhancement of audit and supervision of the Board of Directors by virtue of adequate and due guidance and advice as legal profession, the Company asks shareholders to elect him as Substitute Director as a member of the audit and supervisory committee. He is scheduled to be notified to Tokyo Stock Exchange, Inc. as an independent officer when elected for Director who is a member of the audit and supervisory committee.

【Special Interested Relationship between the candidate and the Company】

There is no special interested relationship between Mr. Kanamori and the Company.

【Liability Limit Agreement】

When his election is approved, subject to resolution for approval of the Second Proposal “Partial Amendments to Articles of Incorporation”, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company is scheduled to enter into a liability limit agreement limiting a compensation liability provided for in Article 423, Paragraph 1 of the Companies Act with him. Furthermore, the limited amount of compensation liability is the minimum liability limit provided for in laws and ordinances.

**Sixth proposal: Determination of Amounts of Remuneration for Directors
(excluding Directors who are members of the audit and
supervisory committee)**

The 32nd Ordinary General Meeting of Shareholders has approved that annual remuneration payable to Directors of the Company as a group (including less than ¥50 million per annum payable to External Directors as a group) should be less than ¥650 million. The Company will transfer to a company with audit and supervisory committee subject to approval of the Second Proposal. In connection therewith, pursuant to Article 361, Paragraphs 1 and 2, the Company hereby proposes that the current range of remuneration payable to Directors as a group shall be abolished and the annual remuneration payable to Directors (excluding Directors who are members of the audit and supervisory committee, the same applicable in this proposal) should be revised not more than ¥550 million (including not more than ¥50 million payable to External Directors) taking into account various factors such as social conditions. Furthermore, remuneration payable to Directors holding post as employee does not include salary payable to employee.

The number of Directors is currently seven (7), but when both the Second Proposal “ Partial Amendments to Articles of Incorporation” and the Third Proposal “Election of Seven (7) Directors (Other Than Directors who are audit and supervisory committee members” are approved as proposed, it will be seven (7) as the same number as current (including three (3) External Directors).

Seventh proposal: Determination of Amounts of Remuneration for Directors who are members of the audit and supervisory committee

Subject to approval of the Second Proposal “Partial Amendments to Articles of Incorporation”, the Company will transfer to a company with audit and supervisory committee. In connection therewith, pursuant to Article 361, Paragraphs 1 and 2, the Company hereby proposes that the annual remuneration payable to Directors who are audit and supervisory committee members should be not more than ¥100 million (including not more than ¥50 million payable to External Directors) taking into account various factors such as social conditions.

When both the Second Proposal “Partial Amendments to Articles of Incorporation” and the Fourth Proposal “Election of Five (5) Directors who are audit and supervisory committee members” are approved as proposed, the number of Directors who are members of the audit and supervisory committee will be five (5) (including three (3) External Directors).