

# CORPORATE GOVERNANCE

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WOWOW INC.

Representative Director,  
President & CEO, Akira Tanaka

Contact person: Mototaka Yamaguchi,  
General Manager, Human Resources & General

Affairs Division Tel: 81-3-4330-8080

Securities code: 4839

<https://corporate.wowow.co.jp/en/>

The Company's corporate governance conditions are as follows.

## I. Basic Philosophy Regarding Corporate Governance, Capital Composition, Company Attributes, and Other Basic Information

### 1. Basic Philosophy

The Company is working to expand business and enhance corporate value, with a basic stance on corporate management of aiming to continue developing as a company that is trusted and respected by society by conducting fair and appropriate corporate management while recognizing our social responsibility to contribute to the happiness of people and the creation of rich culture, as stated in our corporate philosophy and code of conduct, in order to honor our public mission as a broadcaster. To that end, enhancing corporate governance not only serves to achieve fair and appropriate corporate management but is also indispensable for building relationships of trust between the Company and shareholders, viewers, employees, business partners and other stakeholders supporting the Company and thereby making it a company that is trusted and respected by society. The Company positions the enhancement of corporate governance as one of the key management tasks, and believes that the enhancement of corporate governance through ensuring appropriate functions of the Board of Directors, the Audit & Supervisory Board (the Company's kansayaku-kai) and other organizational units and further strengthening the management monitoring structure serve to secure and enhance both the Company's corporate value and the common interests of shareholders. Furthermore, the Company will strive to strengthen corporate governance in due respect of Japan's Corporate Governance Code as prescribed by the financial instruments exchange.

### Reasons for Not Implementing Principles in Corporate Governance Code

**Principle 4-11: Preconditions for Ensuring Effectiveness of Board of Directors/Audit & Supervisory Board**  
The Company's Board of Directors is comprised of individuals with expertise in various business areas, including management, accounting, human resources and administration, marketing, sales, organization, production, entertainment, and technology, individuals with knowledge and experience accumulated in the broadcasting sector and related industries, individuals with experience in corporate finance and who have sufficient expertise in finance/accounting, individuals with extensive specialized knowledge and experience as managers, etc. While the necessity of appointing persons with international experience and women as directors is recognized, there are not any qualified individuals. This issue will therefore be considered in the future. In addition, the Audit & Supervisory Board is composed of individuals with appropriate experience and skills and abundant expertise in management, including those experienced in corporate finance who possess sufficient expertise in finance/accounting. The Company's Board of Directors analyzes and evaluates this structure's effectiveness every year with the aim of improving its functioning.

### Disclosure Based on Various Principles of the Corporate Governance Code – Update

#### **Principle 1-4: Cross-Shareholdings**

When shares in other listed companies are to be held for purposes other than pure investment, the rationality behind the cross-shareholdings is determined based on a careful examination of not only

dividends and share price trends but also the risks and benefits such as whether or not the cross-shareholdings maintain/foster collaborative business ties, etc. with the invested companies, whether or not synergistic effects with the Company's business are anticipated and whether or not the cross-shareholdings serve to enhance the Company's mid- to long-term corporate value. Selling will be considered for shares that have lost their holding rationality. The rationality of continued holding is considered based on capital costs by the Board of Directors every year, and regarding the currently-held shares in eight listed companies (1,400 million yen at the end of March 2020), the Board has decided to continue holding them as their purpose has been deemed appropriate and rational as even in light of the risks, the benefits are sufficient. In addition, concerning exercise of the voting rights to the cross-shareholdings, the general rule shall be to exercise the voting rights to all cross-shareholdings, and whether to vote in favor or against the proposals shall be determined in light of such factors as whether it contributes to the sustainable growth of the invested company by enhancing its mid- to long-term corporate value, or the realization of the purposes for holding as well as whether it enhances the Company's mid- to long-term corporate value and contributes to its sustainable growth, while dialoguing with the invested companies as necessary and respecting their management policies.

### Principle 1-7: Transactions with Related Parties

If the Company engages in a transaction with a director, advance approval by the Board of Directors and subsequent reporting is implemented based on the provisions of the Companies Act.

If the Company engages in a transaction with a major shareholder, important matters are approved in advance by the Board of Directors or reviewed by the Management Council and the transaction is reported to the Board of Directors as appropriate.

### Principle 2-6: Exercising of Role as Corporate Pension Fund Asset Owner

The Company has introduced a defined contribution pension system but has not introduced a fund- or contract-type defined benefits pension plan or welfare pension fund. It is therefore deemed that Principle 2-6 does not apply.

However, with respect to the defined contribution pension, the Company does implement measures such as providing employees with education and training related to asset management and monitoring financial institutions entrusted with management tasks.

### Principle 3-1: Full Disclosure

(1) Company objectives (e.g., business principles), business strategies, and business plans

Please see the corporate website (<https://corporate.wowow.co.jp/en/>) for the Company's business principles, management policies, and medium-term management plan.

(2) Basic views and guidelines on corporate governance

Please see Section 1.1 ("Basic Philosophy") of this document for the Company's basic views on corporate governance.

In addition, the Company's basic policies regarding corporate governance are as follows:

#### [Securing the Rights and Equal Treatment of Shareholders]

The Company takes appropriate measures and provides prompt information disclosure as appropriate in accordance with laws and regulations to serve to fully secure the rights and equal treatment of shareholders and appropriate exercise of shareholder rights.

#### [Appropriate Cooperation with Stakeholders Other Than Shareholders]

The Company recognizes that efforts should be made to appropriately cooperate with the various stakeholders for sustainable corporate growth and creation of mid-to long-term corporate value. In addition, led by the management team, efforts are being made to foster a corporate culture that respects the rights and positions of stakeholders as well as corporate ethics so that cooperation with stakeholders is put into practice. Such efforts include setting the corporate philosophy and code of conduct, and holding a management policy briefing once every six months as an opportunity for these to be explained to all employees directly by the president and other management in their own words.

### [Ensuring Appropriate Information Disclosure and Transparency]

The Company recognizes information disclosure as one of the key management tasks and that appropriate information disclosure is also essential for gaining the understanding of shareholders and other stakeholders. To put such recognition into practice, the Company strives for proactive disclosure of information (including non-financial information) that is deemed to be important to shareholders and other stakeholders, beyond the requirement of laws and regulations, through the Company's website and voluntary timely disclosure.

### [Duties of Board of Directors, etc.]

In addition to separating the structure for corporate management-related decision-making/oversight and the structure for executing business operations with the aim of establishing a framework for efficient management and execution, the Company appoints five outside directors (including two independent outside directors) in an effort to achieve highly transparent corporate management. Along with establishing a highly effective structure for overseeing directors by appointing outside directors, two of the four appointed auditors are independent outside auditors. This establishes an independent structure for oversight of directors' execution of their duties. Furthermore, a voluntarily formed Nomination & Compensation Advisory Committee, many of whose members are independent outside directors, is involved in the process of nominating directors, deciding on their compensation, and so forth. By ensuring the objectivity and transparency of this process, the committee enhances supervisory functions relating to directors and contributes to a more robust corporate governance structure.

### [Dialogue with Shareholders]

The Company recognizes that continuing to grow together with shareholders by proactively engaging in constructive dialogue with shareholders in day-to-day operations and reflecting the opinions and requests of shareholders in corporate management is important for sustainable growth and mid-to long-term corporate value enhancement. From such point of view, the Company develops the IR structure around an executive officer in charge of IR and strives to hold a constructive dialogue with the shareholders and investors by proactively responding to interview requests in order to gain understanding against the Company's corporate strategy and business plan.

### (3) Policies and procedures for determination of compensation for senior management and directors by the Board of Directors

The maximum total amount of compensation payable to directors is determined by means of a resolution at a general meeting of shareholders, and the representative director, president & CEO is delegated by the Board of Directors to determine the amount of compensation for each director separately within the aforementioned maximum range. Individual compensation amounts are determined by comprehensively considering factors such as each director's role and responsibilities, the Company's short and medium-term business performance, and the degree to which the director contributes to that performance. In addition, when determining individual compensation amounts, the amounts are reviewed in advance by the voluntarily formed Nomination & Compensation Advisory Committee, of which over half of whose members are independent outside auditors, which provides advice and recommendations.

### (4) Policies and procedures for the appointment/dismissal of senior management and nomination of candidates for director/auditor by the Board of Directors

When appointing senior management, the Company selects candidates based on the advice and recommendations of the voluntarily formed Nomination & Compensation Advisory Committee, of which over half of whose members are independent outside auditors, which scrupulously reviews whether candidates are suitable in light of the Company's business principles, corporate code of conduct, and financial conditions (including the Company's performance during the candidate's previous term as a senior manager in the case of a re-appointment), regardless of whether it is an internal promotion or external hire. The candidate is then appointed based on a resolution of the Board of Directors after the conducting of a thorough review. Furthermore, in the event that a senior manager is notably unfit to

serve as a senior manager at the Company due to improper conduct in the execution of his or her duties, a serious breach of the law or the articles of incorporation, or another reason, the Board of Directors will call a meeting without delay, and if it is deemed appropriate to dismiss the senior manager in question following a scrupulous review of the situation (including the advice and recommendations of the voluntarily formed Nomination & Compensation Advisory Committee, over half of whose members are independent outside auditors), he or she shall be dismissed by the Board of Directors. The nomination of directors or auditors is reviewed in advance by the voluntarily formed Nomination & Compensation Advisory Committee, over half of whose members are independent outside auditors, and based on its advice and recommendations, the Board of Directors then reviews the nomination by comprehensively evaluating items i to iii below.

i. Nomination of candidates for director (internal)

Based on the Company's philosophy, nominates candidates by comprehensively evaluating whether they are individuals who may be expected to contribute to the development of both the Company itself and the broadcasting sector as a whole, whether they have the ability to identify issues within the department they manage accurately and resolve them in collaboration with other executives and employees, whether they possess the discernment to comply with the law and corporate ethics, etc. in a thorough manner.

ii. Nomination of candidates for auditor (internal)

Based on the Company's philosophy, it nominates candidates by comprehensively evaluating whether they will strive to supervise directors' execution of their duties, proactively prevent breaches of the law or articles of incorporation, and maintain and enhance the Company's sound management and social credibility, whether they will be able to perform supervision in a neutral, objective manner to help ensure the health of the business, etc.

iii. Nomination of external directors

With regard to external directors, candidates are nominated by comprehensively evaluating whether they possess extensive knowledge and experience of, and have played a leading role in, a field such as management, law, finance/accounting, human resources, or broadcasting and whether they have the ability to grasp the nature of problems faced by the Company and appropriately express opinions and provide advice, guidance, and supervision to the management team, etc. Moreover, candidates for outside director who would be registered as independent directors with the Tokyo Stock Exchange are required to meet the Company's own independence criteria.

(5) Explanations with respect to individual appointments/dismissals of senior management or nominations of candidates for director/auditor by the Board of Directors based on (4)

Each time the Company appoints/dismisses a senior manager, the reason for appointment/dismissal and other information will be posted on the corporate website. Furthermore, the reasons for appointing individual candidates for director and auditor will be disclosed in the notice of the ordinary general meeting of shareholders. Please see the corporate website (<https://corporate.wowow.co.jp/en/>) with regard to the notice of the ordinary general meeting of shareholders.

Supplementary Principle 4-1-1: Roles and Responsibilities of the Board of Directors (Scope of Matters Delegated to Management)

Based on its policy of separating the structure for corporate management-related decision-making/oversight and the structure for executing business operations, the Company has established a Board of Directors and Management Council.

The Board of Directors decides important matters relating to the execution of operations, including basic policies for corporate management, and in terms of criteria for determining specific matters to be addressed, the regulations of the Board of Directors stipulate standards for budgeting based on factors such as the Company's size and clarify the scope of matters to be decided by the Board of Directors. Meanwhile, decision-making related to matters not stipulated as being decided by the Board of Directors in the regulations of the Board of Directors is handled in accordance with the standards stipulated in the regulations for approving important matters and regulations for approving operations. Based on the

importance of the matter in question, decision-making is assigned to the Management Council (attended by executive officers and full-time auditors), the representative director president & CEO, or a general manager.

The Management Council provides support for the execution of the president & CEO's duties by reviewing important matters within those approved by the president, with a view to ensuring appropriate execution of operations as well as timely and effective decision-making. In addition to considering practical management issues and important matters raised by the Board of Directors, it receives reports on the sharing of information on operations in each division, including group companies, etc.

#### Principle 4-9: Independence Criteria and Qualifications of Independent Outside Directors

The Company has formulated its own criteria relating to the independence of independent outside directors based on the requirements for outside directors stipulated in the Companies Act and the independence criteria stipulated by the Tokyo Stock Exchange, and appoints its independent outside directors accordingly.

See "Independent Director-Related Information" in Section 2-1 of this document with regard to the Company's criteria.

#### Supplementary Principle 4-11-1: Views on the Balance, Diversity, and Size of the Board of Directors

With a view to promote comprehensive discussion and timely decision-making, the Company's Board of Directors is comprised of thirteen directors (including five outside directors).

In terms of composition, the Board comprises executive officer directors with expertise in various business areas, including management, accounting, human resources and administration, marketing, sales, organization, production, entertainment, and technology, and outside directors with expertise in the broadcasting sector, business strategy, etc. in order to ensure diversity and maintain a good balance of the knowledge, experience, and skills required to fulfill the roles and responsibilities of the Board of Directors.

#### Supplementary Principle 4-11-2: Directors/Auditors Concurrently Serving as Directors of Other Listed Companies

Directors and auditors who concurrently serve as directors for other companies are disclosed in securities reports.

Securities reports (Japanese only) are published on the corporate website (<https://corporate.wowow.co.jp/>). See the site for more information.

#### Supplementary Principle 4-11-3: Evaluating the Effectiveness of the Board of Directors

With regard to analyzing and evaluating the effectiveness of the Board of Directors and disclosing the results, the Board conducts periodic analyses and evaluations, including revising its analysis and evaluation methods (e.g., introducing self-evaluations by each director), and the evaluation results are reported to the Board of Directors.

For the evaluation of the effectiveness of the Board of Directors conducted in March 2019, all directors and auditors complete a questionnaire on the effectiveness of supervising execution of the Board of Directors' management plan, the Board's composition and operation, and the risk management structure. The analysis results have indicated that there are no problems with the effectiveness of the Board of Directors and a robust structure is in place for exercising management oversight functions.

#### Supplementary Principle 4-14-2: Training of Directors and Auditors

At the time of appointment, the Company provides training for newly appointed directors to ensure they acquire the knowledge required to fulfill their roles and responsibilities adequately as corporate directors.

In addition, following their appointment, the Company holds training workshops for directors and auditors run by third-party organizations, external specialists, etc., whose costs are borne by the company. Advance briefings and related information are also provided to outside directors with the aim of enhancing their contributions to discussions at Board of Directors' meetings, and opportunities to better understand the details of the business, such as observation visits to the broadcast center, are

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also set up as necessary.

### Principle 5-1: Policy for Constructive Dialogue with Shareholders

The Company's policy with respect to implementing measures and structures to promote constructive dialogue with shareholders is as follows:

- (1) The executive officer responsible for the Human Resources & General Affairs Division, which the Corporate Communications & Investor Relations Department falls under, is appointed as the executive officer (concurrently serving as director) in charge of investor relations, supervising overall dialogue with shareholders.
- (2) Corporate Communications & Investor Relations Department closely shares information with the Finance & Accounting Department and other departments involved in IR with the aim to collaborate even when creating disclosure materials.
- (3) With regard to promoting opportunities for dialogue aside from individual meetings, results briefings for shareholders, investors, and analysts are held once per quarter during which the President & CEO, executive officer responsible for management of the group and executive officer responsible for accounting discuss the results in person. A shareholders' round table is also held after the ordinary general meeting of shareholders. In addition, the Corporate Communications & Investor Relations Department is proactively involved in IR activities such as phone calls with investors and small-group meetings.
- (4) With regard to shareholder views and so forth received through dialogue, feedback is provided to and information is shared with management and the Board of Directors as required.
- (5) With regard to controlling insider information, the Company has formulated regulations on insider trading as part of its internal regulations, and rigorous information control is implemented when engaging in dialogue.
- (6) The Company has formulated a disclosure policy, and during dialogue with shareholders, information is provided based on rules on fair disclosure.

## 2. Capital Composition

Foreign equity stake	Less than 10%
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### Major Shareholders – Update

Shareholder name	Number of shares held (shares)	Number of shares held as a percentage of total number of shares issued and outstanding (%)
Fuji Media Holdings, Inc.	5,925,000	21.91
Tokyo Broadcasting System Holdings, Inc.	4,541,400	16.79
Nippon Television Network Corporation	2,616,400	9.67
The Master Trust Bank of Japan, Ltd. (retirement benefits trust account/Dentsu Inc. account)	1,400,800	5.18
State Street Bank and Trust Company 505224 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	875,000	3.23
NTT Communications Corporation	580,200	2.14
The Asahi Shimbun Company	555,200	2.05

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TV Asahi Holdings Corporation	346,000	1.27
TV TOKYO Corporation	346,000	1.27
Nikkei Inc.	346,000	1.27

Name of controlling shareholder (excluding parent company)	—
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Parent company	None
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### Supplemental Explanation - Update

- The above information on major shareholders is valid as of September 30, 2020.
- Tokyo Broadcasting System Holdings, Inc. changed its company name to TBS Holdings, Inc. on October 1, 2020.
- The Company's eighth-largest shareholder is a tie between four companies: TV Asahi Holdings Corporation, TV TOKYO Corporation, Nikkei Inc., and The Yomiuri Shimbun Tokyo Head Office. Each of the four companies owns 346,000 shares, which represents a percentage of 1.27%.
- The Company owns 1,805,644 shares of treasury stock.
- Proportions are calculated by excluding treasury stock, and shown by rounding them off to two decimal points.

### 3. Company Attributes

Listed exchange and market segment	Tokyo Stock Exchange, First Section
Fiscal year-end	March
Industry	Telecommunications
Number of employees at end of previous fiscal year (consolidated)	Between 500 and 1,000
Sales at end of previous fiscal year (consolidated)	Between 10 billion and 100 billion yen
Number of consolidated subsidiaries at end of previous fiscal year	Less than 10

### 4. Guidelines Relating to Protecting Minority Shareholders When Conducting Transactions with Controlling Shareholder

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### 5. Other Special Considerations with a Significant Impact on Corporate Governance

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## II. Corporate Management Structure Relating to Corporate Decision-Making, Execution of Operations, and Oversight and Other Corporate Governance Systems

### 1. Matters Relating to Institutional Structure and Organizational Administration

Organization type	Company with a board of auditors
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### Director-Related Information

Number of directors indicated in articles of incorporation	20
Term of directors indicated in articles of incorporation	1 year
Chair of Board of Directors	President
Number of directors	13
Appointment of outside directors	Outside directors are appointed
Number of outside directors	5
Number of outside directors designated as	2

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independent directors

### Relationship to Company (1)

Name	Professional Background	Relationship to Company*1										
		a	b	c	d	e	f	g	h	i	j	K
Kazunobu Iijima	Former employee of another company					△		△				
Yutaka Ishikawa	Former employee of another company								○			
Takashi Kusama	Former employee of another company					△						
Akira Ishizawa	Former employee of another company								○			
Jun Otomo	Former employee of another company							△	○			

\*1 Relationship to company legend:

“○” = item currently applies or recently applied to the individual

“△” = item applied to the individual in the past

“●” = item currently applies or recently applied to a close relation of the individual

“▲” = item applied to a close relation of the individual in the past

a. Executive of a listed company or subsidiary thereof

b. Executive or non-executive director of a listed company's parent company

c. Executive of a listed company's affiliate

d. Individual that has a listed company as a major business partner or an executive of a company that has a listed company as a major business partner

e. Major business partner of a listed company or an executive thereof

f. Consultant, accounting expert, or legal expert receiving a significant amount of money (other than director remuneration) or other assets from a listed company

g. Major shareholder of a listed company (or executive of applicable corporation if the major shareholder is a corporation)

h. Executive of a listed company's business partner (not corresponding to d, e, or f) (applies only to the individual in question)

i. Executive of a company involved in a reciprocal outside director arrangement (applies only to the individual in question)

j. Executive of an organization receiving donations from a listed company (applies only to the individual in question)

k. Other

### Relationship to Company (2)

Name	Independent Director	Supplemental Explanation of Compliance-Related Matters	Reason for Appointment
Kazunobu Iijima		<ul style="list-style-type: none"> <li>Until 2012, director Kazunobu Iijima was an executive at Fuji Media Holdings, Inc., which is a major shareholder of the Company, and an executive of Fuji Media Holdings, Inc.'s subsidiary The Sankei Building Co., Ltd. In FY2019 and FY2020, the Company was involved in transactions with Fuji Media Holdings, Inc.'s subsidiary Fuji Television Network, Inc., which is engaged in the broadcasting</li> </ul>	<ul style="list-style-type: none"> <li>Judged to be qualified for the position of outside director in view of leveraging extensive experience and expertise as an executive of a broadcasting company in strengthening the Company's corporate management</li> </ul>



		<p>business, and other subsidiaries of Fuji Media Holdings, including the sale of stock footage and purchase of broadcast rights.</p> <p>The Company's annual sales in FY2019 relating to these transactions were less than 2% of its consolidated net sales for that year, while the Company's related purchases in FY2019 were less than 2% of Fuji Media Holdings, Inc.'s consolidated net sales for that year.</p> <p>• Until 1999, Mr. Iijima was an executive at Japan Sky Broadcasting Co., Ltd., one of the predecessors of SKY Perfect JSAT Corporation, Inc., which is a major business partner of the Company. He was also a director of SKY Perfect JSAT Holdings, Inc., and in FY2019 and FY2020, the Company was involved in transactions with SKY Perfect JSAT Corporation, Inc., a subsidiary of SKY Prefect JSAT Holdings, Inc. engaged in the broadcasting business, including sales of stock footage and satellite pay-TV management business. The Company's annual sales in FY2019 relating to these transactions were approximately 3.6% of its consolidated net sales for that year, while the Company's related purchases in FY2019 were less than 2% of SKY Perfect JSAT Holdings, Inc.'s consolidated net sales for that year. These transactions were conducted under the same conditions as other transactions with general business partners, and did not involve any transactions requiring special mention, and had no impact on the Company's management.</p>	
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Yutaka Ishikawa	○	<ul style="list-style-type: none"> <li>• Director Yutaka Ishikawa is an executive at Dentsu, Inc., and in FY2019 and FY2020, the Company was involved in transactions with Dentsu, Inc. and its subsidiaries, including advertising sales and commissions and running advertisements. The Company's annual sales in FY2019 relating to these transactions were less than 2% of its consolidated net sales for that year, while the Company's related purchases in FY2019 were less than 2% of Dentsu, Inc.'s consolidated net sales for that year.</li> <li>• Mr. Ishikawa is a director of Video Research, Ltd., and in FY2019 and FY2020, the Company was involved in research business-related transactions with this company. The Company's purchases in FY2019 relating to these transactions were less than 2% of Video Research, Ltd.'s consolidated net sales for that year. These transactions were conducted under the same conditions as other transactions with general business partners, and did not involve any transactions requiring special mention, and had no impact on the Company's management.</li> </ul>	<ul style="list-style-type: none"> <li>• Judged to be qualified for the position of outside director in view of leveraging extensive experience and expertise as an executive of an advertising company in strengthening the Company's corporate management</li> <li>• No significant transactions between the Company and him or his former company; therefore, judged to be qualified for the position of independent director free of any conflict of interest with ordinary shareholders.</li> </ul>
Takashi Kusama	○	<ul style="list-style-type: none"> <li>• Director Takashi Kusama was an executive at the Industrial Bank of Japan, a predecessor of Mizuho Bank, which is one of the Company's major business partners, until 2000.</li> </ul>	<ul style="list-style-type: none"> <li>• Since Takashi Kusama enhances the Company's management by leveraging extensive knowledge and experience as a manager, it was deemed appropriate to appoint him as an outside director.</li> <li>• Employed until 2000 by the Industrial Bank of Japan, a predecessor to Mizuho Bank, one of the Company's major business partners, but as a significant amount of time has passed since</li> </ul>

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			his departure, judged to not be in a position to be influenced by the will of his former company; therefore, judged to be qualified for the position of independent director free of any conflict of interest with ordinary shareholders.
Akira Ishizawa		<p>• Director Akira Ishizawa is an executive at Nippon Television Holdings, Inc., its subsidiary Nippon Television Network Corporation, which is engaged in the broadcasting business, and its majority shareholder The Yomiuri Shimbun. In FY2019 and FY2020, the Company was involved in transactions with Nippon Television Network Corporation and other subsidiaries of Nippon Television Holdings, Inc., including stock footage sales and broadcast rights purchases. The Company's annual sales in FY2019 relating to these transactions were less than 2% of the Company's consolidated net sales for that year, while the Company's related purchases in FY2019 were less than 2% of Nippon Television Holdings, Inc.'s consolidated net sales for that year. In addition, in FY2019 and FY2020, the Company was involved in transactions with The Yomiuri Shimbun Tokyo, a subsidiary of The Yomiuri Shimbun, including the division of film business revenue. The Company's annual sales in FY2019 relating to these transactions were less than 2% of the Company's consolidated net sales for that year, while the Company's related purchases in FY2019 were less than 2% of The Yomiuri Shimbun's consolidated net sales for that year. These transactions were conducted under the same conditions as</p>	<p>• Judged to be qualified for the position of outside director in view of leveraging extensive experience and expertise as an executive of a broadcasting company in strengthening the Company's corporate management</p>

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		other transactions with general business partners, and did not involve any transactions requiring special mention, and had no impact on the Company's management.	
Jun Otomo		<p>• Director, Jun Otomo was an executive at the Company's majority shareholder TBS Holdings, Inc. (former Tokyo Broadcasting System Holdings, Inc.) until 2016, and is a director of its subsidiary TBS Television, Inc., which is engaged in the broadcasting business. In FY2019 and FY2020, the Company was involved in transactions with TBS Television, Inc., including film and broadcasting. The Company's annual sales in FY2019 relating to these transactions were less than 2% of the Company's consolidated net sales for that year, while the Company's related purchases in FY2019 were less than 2% of TBS Television, Inc.'s net sales for that year. These transactions were conducted under the same conditions as other transactions with general business partners, and did not involve any transactions requiring special mention, and had no impact on the Company's management.</p>	<p>• Judged to be qualified for the position of outside director in view of leveraging extensive experience and expertise as an executive of a broadcasting company in strengthening the Company's corporate management.</p>

### Optional Committees

Formation of optional committees corresponding to nomination committee or compensation committee – update	Yes
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### Establishment of Optional Committees, Membership Structure, and Attributes of Committee Chairs

	Committee Name	Total Members	Full-Time Members	Internal Directors	Outside Directors	Outside Experts	Others	Committee Chair
Optional committee corresponding to nomination committee	Nomination & Compensation Advisory Committee	3	0	1	2	0	0	Outside Director
Optional committee	Nomination & Compensation	3	0	1	2	0	0	Outside Director

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corresponding to compensation committee	Advisory Committee							
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### Supplemental Explanation – Update

#### 1. Overview of Committee Procedures

In order to further ensure greater objectivity and transparency in compensation decisions, the Company established a Nomination & Compensation Advisory Committee on February 3, 2020, as an optional advisory committee to the Board of Directors. The Nomination & Compensation Advisory Committee meets at least four times per year to advise the Company's Board of Directors on compensation policy, programs, calculation methods, etc. and, in addition to providing review, advice and recommendations, monitors the state of the Company's officer compensation.

#### 2. Activities of the Board of Directors and Committees

The Board of Directors entrusted deciding the compensation for individual directors to the president, and consulted the Nomination & Compensation Advisory Committee about director and auditor compensation policy and details.

This fiscal year, the Nomination & Compensation Advisory Committee met second times, mainly to review the introduction of a restricted stock compensation program as a medium- to long-term incentive, evaluation of target achievement for performance-based compensation, validity and appropriateness of performance-based compensation amounts to be paid and validity of directors' compensation amounts, levels and composition ratios, and offered advice and recommendations to the Board of Directors. The Board of Directors received the advice and recommendations of the Nomination & Compensation Advisory Committee and decided to revise director compensation limits and introduce a restricted stock compensation program.

### Auditor-Related Information

Establishment of board of auditors	A board of auditors is established
Number of auditors indicated in articles of incorporation	5
Number of auditors	4

### Collaboration Among Auditors, Accounting Auditors, and Internal Auditing Department

The Company's outside directors and outside auditors receive reports concerning the status of internal control relating to finance reporting, risk management, compliance, and other matters from the directors in charge of these areas on both a regular and as-needed basis. Outside auditors receive reports on the status of internal audits and audit results from the auditing department as needed, and ongoing collaboration is ensured. Furthermore, reports on audit results are received from accounting auditors on a regular and as-needed basis, and ongoing collaboration is ensured.

Appointment of outside auditors	Outside auditors are appointed
Number of outside auditors	2
Number of outside auditors designated as independent directors	2

### Relationship to Company (1)

Name	Professional Background	Relationship to Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	M
Masayuki Umeda	Former employee of another company										○			
Hideyuki Takahashi	Former employee of another company							△						

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\*<sup>1</sup> Relationship to company legend:

“○” = item currently applies or recently applied to the individual

“△” = item applied to the individual in the past

“●” = item currently applies or recently applied to a close relation of the individual

“▲” = item applied to a close relation of the individual in the past

a. Executive of a listed company or subsidiary thereof

b. Non-executive director or accounting advisor of a listed company or subsidiary thereof

c. Non-executive director or executive of a listed company's parent company

d. Auditor of a listed company's parent company

e. Executive of a listed company's affiliate

f. Individual that has a listed company as a major business partner or an executive of a company that has a listed company as a major business partner

g. Major business partner of a listed company or an executive thereof

h. Consultant, accounting expert, or legal expert receiving a significant amount of money (other than director remuneration) or other assets from a listed company

i. Major shareholder of a listed company (or executive of the applicable corporation if the major shareholder is a corporation)

j. Executive of a listed company's business partner (not corresponding to f, g, or h) (applies only to the individual in question)

k. Executive of a company involved in a reciprocal outside director arrangement (applies only to the individual in question)

l. Executive of an organization receiving donations from a listed company (applies only to the individual in question)

m. Other

### Relationship to Company (2)

Name	Independent Director	Supplemental Explanation of Compliance-Related Matters	Basis for Appointment
Masayuki Umeda	○	<ul style="list-style-type: none"> <li>• Auditor Masayuki Umeda is an executive at The Asahi Shimbun Company. In FY2019 and FY2020, the Company was involved in transactions with The Asahi Shimbun Company and its subsidiaries, including the distribution of film business revenues. The Company's annual sales in FY2019 relating to these transactions were less than 2% of its consolidated net sales for that year, while the Company's related purchases for FY2019 were less than 2% of The Asahi Shimbun Company's consolidated net sales for that year.</li> <li>• He is a director at Higashinippon Broadcasting Co., Ltd., and in FY2019 and FY2020, the Company was involved in transactions with it including film and broadcasting. The Company's annual sales in FY2019</li> </ul>	<ul style="list-style-type: none"> <li>• Judged to be qualified for the position of outside auditor in view of leveraging experience and extensive expertise as an executive in enhancing the Company's audit functions</li> <li>• No significant transactions between the Company and him or his former company; therefore, judged to be qualified for the position of independent director free of any conflict of interest with ordinary shareholders.</li> </ul>

## CORPORATE GOVERNANCE

		relating to these transactions were less than 2% of the Company's consolidated net sales for that year, while the Company's related purchases in FY2019 were less than 2% of Higashinippon Broadcasting Co., Ltd.'s net sales for that year. These transactions were conducted under the same conditions as other transactions with general business partners, and did not involve any transactions requiring special mention, and had no impact on the Company's management.	
Hideyuki Takahashi	○	<p>• Auditor Hideyuki Takahashi was an executive at Mizuho Corporate Bank, Ltd., the predecessor of Mizuho Bank, Ltd., one of the Company's main business partners, until 2012. He is also a non-executive director (chair of board of directors) of The Kyoritsu Co., Ltd. In FY2019 and FY2020, the Company was involved in transactions with it including insurance contracts. The Company's annual sales in FY2019 relating to these transactions were less than 2% of the Company's consolidated net sales for that year, while the Company's related purchases in FY2019 were less than 2% of The Kyoritsu Co., Ltd.'s net sales for that year. These transactions were conducted under the same conditions as other transactions with general business partners, and did not involve any transactions requiring special mention, and had no impact on the Company's management.</p>	<p>Judged to be qualified for the position of outside auditor in view of leveraging experience in corporate finance at a financial institution and extensive accounting expertise, especially as audit committee chair at Mizuho Financial Group, Inc., as an executive in enhancing the Company's audit functions.</p> <p>• No significant transactions between the Company and him or his former company; therefore, judged to be qualified for the position of independent director free of any conflict of interest with ordinary shareholders.</p>

### Independent Director-Related Information

Number of independent directors	4
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### Other Matters Relating to Independent Directors

■Criteria for Judging the Independence of Independent Outside Directors
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## CORPORATE GOVERNANCE

### Independence Criteria

In order to judge the independence of independent outside directors objectively, based on the Companies Act and the independence criteria stipulated by the Tokyo Stock Exchange, the Company deems that individuals who correspond to the following descriptions are not independent:

1. An individual who was an executive at the Company within the past 10 years (both here and hereinafter, this refers to an executive as defined in Article 2-3-6 of the Ordinance for Enforcement of the Companies Act)
2. An individual for whom the Company is a major business partner, an executive at a company for whom it is a major business partner, a major business partner of the Company, or an executive at a major business partner of the Company
  - (i) An individual for whom the Company is a major business partner refers to an individual who received payments exceeding 2% of his or her company's annual consolidated net sales for the previous fiscal year from the Group (the Company and its subsidiaries)
  - (ii) A major business partner of the Company refers to a business partner that made a payment exceeding 2% of the Company's annual consolidated net sales to the Group in the previous fiscal year or a financial institution, such as a main bank, that has provided the Group with a relatively large loan and may not be replaced by another financial institution
3. A consultant, accounting expert, or legal expert who received a significant amount of money (other than director remuneration) or other assets from the Group in the previous fiscal year (if the party receiving the assets in question was an organization such as a corporation or association, this refers to an individual who currently belongs to or previously belonged to the applicable organization)
4. An individual who is currently a major shareholder of the Company (if the major shareholder in question is a corporation, this refers to an executive at the applicable corporation)
5. An individual who is currently closely related to an individual corresponding to (i) or (ii) below (a spouse or first- or second-degree relative)
  - (i) An individual corresponding to any of items 1 to 4 above
  - (ii) An individual who was recently an executive in the Group (in the case of designating an outside auditor as an independent director, this includes individuals who are or were recently non-executive directors and individuals who are or were recently accounting advisors)

### 【Incentives】

Implementation of policies relating to provision of incentives to directors	Introduction of yearly performance-based compensation program and restricted stock compensation program
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#### Supplemental Explanation of Relevant Matters

From the year ended March 31, 2020, in order to increase directors' (excluding outside directors) incentive to achieve management plans and link compensation to execution of duties, a performance-based (monetary) compensation program was introduced for directors (excluding outside directors). Furthermore, aiming to give an incentive to sustainably increase the Company's corporate value and deepen shared values with shareholders, it was decided at the meeting of the Board of Directors held on May 15, 2020, to introduce a restricted stock compensation program, and this was approved at the 36th Ordinary General Meeting of Shareholders on June 23, 2020. The details of director compensation programs can be found under "Disclosure of Policy to Determine Compensation Amounts or Calculation Method" in "Directors' Compensation-Related Information" below.

#### Recipients of stock options

#### Supplemental Explanation of Relevant Matters

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### Directors' Compensation-Related Information

Disclosure (of individual directors' compensation)	Individual directors' compensation is not disclosed
Supplemental Explanation of Relevant Matters	
No officer exceeds 100 million yen in total consolidated compensation.	



Policy to determine compensation amounts or calculation method – update	Yes
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## Disclosure of Policy to Determine Compensation Amounts or Calculation Method

### 1. Policy Details and Decision Method for Director Compensation Amounts and Calculation Method Determination

The limits for total director compensation are decided by resolution of the General Meeting of Shareholders. The basic policy is to set director compensation at a level that maintains desire to improve performance and enables acquisition of excellent personnel from inside and outside the Company as well as in consideration of competitor levels, scope of management at the Company and balance with employee salaries. Based on this policy, director compensation is reviewed by the Nomination & Compensation Advisory Committee, over half of whose members are independent outside directors, for its validity and appropriateness, and decided by resolution of the Board of Directors.

Aiming to give an incentive to sustainably increase the Company's corporate value and deepen shared values with shareholders, it was decided to introduce a restricted stock compensation program for directors (excluding outside directors) from the year ending March 31, 2021, and the 36th Ordinary General Meeting of Shareholders on June 23, 2020, approved by resolution the total amount of monetary compensation credit to offer the restricted stock and total number of regular stock for the Company to issue or dispose. Specific distribution of the monetary compensation credit will be decided by resolution of the Board of Directors based on standard compensation amounts corresponding to title and with the advice and recommendations of the Nomination & Compensation Advisory Committee. The amount to be paid per share of restricted stock will be decided by the Board of Directors based on the closing price of the Company's regular stock on the Tokyo Stock Exchange on the business day prior to each meeting of the Board of Directors.

### 2. Policy on Deciding Payment Ratio of Compensation

#### (1) Compensation of directors (excluding outside directors)

Compensation for directors (excluding outside directors) is composed of fixed title-based compensation, performance-based (monetary) compensation for each business year and restricted stock compensation.

##### a. Title-based compensation (fixed)

A fixed amount is paid in line with the size of responsibility per title. The payment ratio is 70% of total annual compensation

##### b. Performance-based compensation (variable)

Performance-based compensation of directors (excluding outside directors) is monetary compensation paid according to a performance evaluation coefficient calculated from performance indicators for that business year. The payment ratio of the base amount is 5% of total annual compensation. Setting the base amount as 100%, that amount may vary from 80% to 120%.

Note: The base amount is the amount of performance-based compensation paid if the performance evaluation coefficient calculated from performance indicators for that business year is 100%.

##### c. Restricted stock compensation (variable)

The payment ratio of monetary compensation credit paid to offer restricted stock is 25% of total annual compensation.

#### (2) Compensation of outside directors

Compensation of outside directors is fixed compensation not affected by the Company's performance.

### 3. Performance-Based Compensation Indicators, Reasons for Choosing These Indicators, Decision Method for Amount of Performance-Based Compensation

(1) Overview of performance-based compensation, fundamental indicators, reasons for choosing these indicators

Performance-based (monetary) compensation is paid to directors (excluding outside directors) based on evaluation of a single business year. It aims to increase directors' (excluding outside directors) incentive to achieve management plans and link compensation to execution of duties. In order to link compensation more closely to performance results, the indicators used for performance-based compensation are consolidated revenue and consolidated operating income, especially important performance indicators in the Company's business model. Performance-based compensation is paid in a monetary lump sum decided by the Board of Directors with validity and appropriateness reviewed by the Nomination & Compensation Advisory Committee based on calculation of a performance evaluation coefficient according to achievement rate of the Company's consolidated revenue and consolidated operating income for that business year, after confirming that the payment ratio is within 80% to 120% of the base amount.

(2) Decision method for amount of performance-based compensation

Performance-based compensation is calculated based on achievement rate of initial consolidated revenue and consolidated operating income targets for that business year, multiplying the performance evaluation coefficient calculated using the formula below by an adjustment coefficient and then multiplying this by the performance-based compensation base amount.

• Performance evaluation coefficient formula

Performance evaluation coefficient = Consolidated revenue achievement rate × 50% + Consolidated operating income × 50%

However, the upper limit for the performance evaluation coefficient is 120% and the lower limit is 80%.

• Adjustment coefficient

1.00

• Performance-based compensation formula

Performance-based compensation = Performance-based compensation base amount × Performance evaluation coefficient × Adjustment coefficient

## Support Structure for Outside Directors (Outside Auditors)

To ensure they can contribute fully to discussions of the Board of Directors, outside directors and non-full-time outside auditors are briefed in advance on the purpose and details of proposed discussion topics of the Board of Directors by full-time directors and full-time auditors.

## Status of Former Presidents, Etc.

### Advisors/Consultants Who Formerly Served as President, Etc.

Name	Position/ Rank	Details of Duties	Work Type/ Conditions (Full-Time or Not, Compensated or Not, etc.)	Date of Retirement as President	Term
Shoji Sakuma	Honorary Senior Advisor	• Attendance at important Company events	Non-full-time, non-compensated	June 27, 2006	Lifetime
Toshio Hirose	Honorary Senior Advisor	• Attendance at important Company events	Non-full-time, non-compensated	June 26, 2007	Lifetime
Nobuya Wazaki	Advisor	• Social contribution activities through outside organizations/groups • Advice on questions	Non-full-time, compensated	June 20, 2019	1 year

## CORPORATE GOVERNANCE

		from representative director • Attendance at important Company events			
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Total number of advisors/consultants who formerly served as president	3
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### Other Matters

The main role of honorary senior advisors and advisors is to attend important Company events and contribute to society through outside groups, and while they do offer advice on questions from the representative director, they do not participate in the decision-making process for the Company's management.

## 2. Matters Relating to Execution of Operations, Auditing/Oversight, Nomination, Determination of Compensation, and Other Functions (Overview of Current Corporate Governance Structure)

The Company is a company with a Board of Auditors. Outside directors who possess knowledge and experience of management in general as well as expertise in the Group's business are invited to serve on both the Board of Directors and Board of Auditors. Based on their knowledge and experience of management in general, they provide opinions and advice from an objective, neutral perspective that contributes to the management of the Company, thereby enhancing the structure for management oversight, including overseeing whether directors are executing their duties adequately. In addition, clarifying roles by separating management decision-making/oversight functions and execution functions strengthens the Board of Directors' decision-making and oversight functions and makes execution more flexible and speedier, so the Company is building a corporate governance structure by introducing an optional executive officer system and corporate officer system.

The Company's Board of Directors consists of thirteen members (of which, five members are outside directors) with a term of office of one year. It meets once a month as a general rule and also holds impromptu meetings as required. At these meetings, it decides important matters regarding the basic policy and execution of Company management and oversees directors' execution of duties. The Board of Directors also appoints executive officers (eleven) to decide and execute the Company's operations and corporate officers (five) to oversee management and decide and execute operations at the Company's important subsidiaries and affiliate companies, both with a term of office of one year.

The members of the Company's Board of Directors are as follows:

Chair: Akira Tanaka (representative director)

Members: Noriaki Kuromizu (representative director), Ichiro Yamazaki, Kenji Noshi, Masahiko Mizuguchi, Hideki Tashiro, Hitoshi Yamamoto, Junichi Onoue, Kazunobu Iijima (outside director), Yutaka Ishikawa (outside director), Takashi Kusama (outside director), Akira Ishizawa (outside director) and Jun Otomo (outside director)

In order to ensure appropriate operation execution and speedy, efficient decision-making, the Company has established a Management Council composed of eleven executive officers (of which, eight are also directors), chaired by the president & CEO. The Management Council meets once a week as a general rule. At these meetings, it provides support for the execution of the president & CEO's duties by reviewing important matters within those approved by the president. In addition to considering practical management issues and important matters raised by the Board of Directors, it receives reports on the sharing of information on operations in each division, including group companies, etc. Full-Time Audit & Supervisory Board Members also attend Management Council meetings to receive reports, offer opinions and obtain information necessary for auditing. The members of the Company's Management Council are as follows:

Chair: Akira Tanaka (president & CEO)

Members: Noriaki Kuromizu (executive vice president), Ichiro Yamazaki (senior managing executive officer), Kenji Noshi (managing executive officer), Masahiko Mizuguchi (managing executive officer), Hideki Tashiro (managing executive officer), Hitoshi Yamamoto, Junichi Onoue, Masato

Konishi, Haruo Otsuka, Michihiro Ishizu

The Company's Audit & Supervisory Board is composed of four members (of which, two are full-time auditors and two are outside auditors). It meets once a month as a general rule and also holds impromptu meetings as required. At these meetings, it formulates audit plans and reports and discusses matters necessary for auditing. Each member oversees the Board of Directors' execution of their duties in accordance with the audit plan. In addition, the Company has appointed EY Japan as its Accounting Auditor. Furthermore, an independent auditing department (five members) directly under the president & CEO does internal audits of the Company and subsidiaries at the command of the president & CEO. The Audit & Supervisory Board, Accounting Auditor and the auditing department are in constant contact, sharing necessary information.

The members of the Company's Audit & Supervisory Board are as follows:

Chair: Fumihiro Yamanouchi (full-time auditor)

Members: Hajime Tonegawa (full-time auditor), Masayuki Umeda (outside auditor), Hideyuki Takahashi (outside auditor)

In addition, the Company has set up a voluntarily formed Nomination & Compensation Advisory Committee (three members), the majority of whose members are independent outside directors, with the aim of enhancing supervisory functions of the Board of Directors by making the evaluation and decision-making process related to nomination of directors, director compensation, etc., more transparent and objective. See "1. Matters Relating to Institutional Structure and Organizational Administration (Optional Committees)" under "II. Corporate Management Structure Relating to Corporate Decision-Making, Execution of Operations, and Oversight and Other Corporate Governance Systems" for its authority and functions.

The members of the Nomination & Compensation Advisory Committee are as follows:

Chair: Takashi Kusama (independent outside director)

Members: Yutaka Ishikawa (independent outside director), Akira Tanaka (representative director)

Furthermore, for the purpose of implementing a thorough risk management and compliance structure for the Group, the Company has established a Risk Management & Compliance Committee (fourteen members), chaired by the president & CEO and composed of executive officers and subsidiary presidents, that examines, discusses and approves the Group's risk management and compliance policy, direction, annual plans, corrective measures, etc. In addition, with the aim of protecting important information assets, including personal information possessed by the Group, it has also set up an Information Security Committee, chaired by the president & CEO and composed of executive officers and subsidiary presidents, that examines, discusses and approves the Group's information security policy, direction, annual plans, corrective measures, etc. Full-Time Audit & Supervisory Board Members also attend Risk Management & Compliance Committee and Information Security Committee meetings to receive reports, offer opinions and obtain information necessary for auditing. The members of the Company's Risk Management & Compliance Committee and Information Security Committee are as follows:

Chair: Akira Tanaka (president & CEO)

Members: Noriaki Kuromizu (executive vice president), Ichiro Yamazaki (senior managing executive officer), Kenji Noshi (managing executive officer and Actvila Corporation representative director president), Masahiko Mizuguchi (managing executive officer), Hideki Tashiro (managing executive officer), Hitoshi Yamamoto, Junichi Onoue, Masato Konishi, Haruo Otsuka, Michihiro Ishizu, Nobuyuki Otaka (WOWOW COMMUNICATIONS INC. representative director president), Masanori Gunji (WOWOW PLUS INC. representative director president) Yoshiro Minezaki (WOWOW Entertainment, Inc. representative director president)

Based on the above corporate governance structure, the Company strives to ensure continuous improvement of corporate value, transparent management, and timely disclosure of information so that all directors will earn the trust of shareholders, investors, and other stakeholders.

## CORPORATE GOVERNANCE

### 3. Reasons for Selecting Current Corporate Governance Structure

The Company has adopted the form of a company with a board of corporate auditors rather than a company with committees, as having the directors, who have been appointed at a general meeting of shareholders, be involved in decision-making relating to important corporate management matters and tasked with handling oversight functions themselves is considered preferable from the perspective of clarifying management responsibilities and ensuring proper business operations. Based on the above, in line with clarifying roles by separating management decision-making/oversight functions and execution functions, the Company has introduced an optional executive officer system and corporate officer system as an operation execution structure and established a Management Council, but at the same time, in line with strengthening the management oversight structure, including oversight of the validity of directors' execution of duties, it has included in the thirteen directors five outside directors well-versed in the broadcasting industry or management strategy. Moreover, in order to ensure effective auditing, the Company has appointed two outside auditors, and the auditors also strive constantly to maintain mutual co-operation with the Accounting Auditor and the Audit Department. In addition, the Company has set up a voluntarily formed Nomination & Compensation Advisory Committee, the majority of whose members are independent outside directors, with the aim of enhancing supervisory functions and contributing to a more robust corporate governance structure by making the evaluation and decision-making process related to nomination of directors, director compensation, etc., more transparent and objective. Finally, for the purpose of implementing a thorough risk management and compliance structure for the Group, the Company has established a Risk Management & Compliance Committee, and it has also set up an Information Security Committee with the aim of protecting important information assets, including personal information possessed by the Group.

### III. Implementation of Policies Relating to Shareholders and Other Stakeholders

#### 1. Initiatives to Encourage Active Participation in General Meetings of Shareholders and Facilitate Voting

	Supplemental Explanation
Early sending of notice of ordinary general meeting of shareholders	The Company aims to send the notice of ordinary general meeting of shareholders three weeks before the meeting is held.
Holding general meetings of shareholders on days that do not conflict with many other companies' shareholder meetings	Since it was listed, the Company has avoided holding general meetings of shareholders on days that conflict with other companies' shareholder meetings.
Exercising of voting rights by electronic means	To encourage active voting by all shareholders, since the general meeting of shareholders held in June 2019, the Company has enabled electronic voting through the implementation of IT.
Use of an e-voting platform and other initiatives aimed at improving the voting environment for institutional investors	The Company has used an e-voting platform for institutional investors operated by ICJ, Inc. since the general meeting of shareholders in June 2019.
Providing notices (summaries) in English	An English version of the notice (formal convocation notice and reference documents) is created and posted on the Company's website.
Other	Notices are posted on the Company's website. Furthermore, a round table with shareholders is held following each general meeting of shareholders, which provides an opportunity to receive open feedback.

#### 2. IR-Related Activities – Update

	Supplemental Explanation	Briefing Given Personally by Representative

## CORPORATE GOVERNANCE

Creation and publication of disclosure policy	The policy is posted on the Company's website.	
Holding of regular briefings for analysts and institutional investors	Briefings are held when quarterly and annual results are announced.	Yes
Publication of IR materials on the website	Various materials such as financial results briefing documents and financial results reports for shareholders and investors are published.	
Establishment of an IR-related department (manager)	Four employees are assigned to the Corporate Communications & Investor Relations Department.	
Other	Twice a year, the Company provides an explanation of its business by preparing a financial results report for shareholders and investors (booklet) and distributing it at branches of certain securities companies, and IR activities with private investors in mind are conducted, such as posting shareholder benefits-related information on the corporate website.	

### 3. Initiatives Relating to Respecting Stakeholders' Position

	Supplemental Explanation
Implementation of environmental conservation activities, CSR activities, etc.	Driven by input from customers, the Company constantly seeks to identify and implement what is possible in the field of entertainment and to contribute to personal happiness and cultural richness by continuing to always provide people with new encounters through the content they watch. All employees are aware of the importance of respecting the environment, and through its day-to-day activities, the Company aims to be an environmentally friendly broadcaster.

## IV. Matters Relating to Internal Control System

### 1. Basic Philosophy Relating to Internal Control System and Implementation Status – Update

#### Overview of Decision-Making by the Company's Board of Directors

With the aim of improving corporate value, the Company has implemented a system for the purpose of ensuring the validity of the operations (hereinafter referred to as the "internal control system") of the Company and its subsidiaries (hereinafter referred to as the "Group") in order to enhance corporate governance. The Company's internal control system is as described in Items 1 to 12 below, and the Company establishes, revises, and develops regulations and systems as necessary in order to make this system more robust.

#### 1. Systems for Saving and Managing Information Relating to the Execution of Duties by the Company's Directors

(1) The Company has established basic regulations on information security, and in accordance with these, it has established an Information Security Committee, with the president & CEO of the Company as the chair and executive officers of the Company and presidents of subsidiaries as members, as a body that works to ensure appropriate management of corporate information and other key information assets, including personal data, by performing risk analysis related to information security to protect the Group's information assets, verifying and approving regulations, implementing policies to promote enhanced information security, verifying and monitoring information security issues, monitoring the implementation

status of policies concerning information security, distributing information security-related documents, and organizing education and awareness activities. Furthermore, the Company has established a basic policy on information security that advocates the practical implementation of appropriate management of key information assets both internally and externally.

(2) With regard to storing (storage location, storage method, storage period, etc.), managing (designation of person in charge, etc.), and disposing of (disposal method, etc.) documents and electronic media that need to be created (hereinafter collectively referred to as “documents”), the Company complies with the law and has also established document management regulations based on the importance of different documents. In accordance with these regulations, documents relating to execution of duties by the Company’s directors are stored and managed in an appropriate manner. With regard to storage and management, a system has been established that enables the Company’s directors and auditors to view documents without delay if they request to do so.

### 2. Regulations Relating to Managing the Risk of Company Losses and Related Systems

(1) The Company has established regulations on risk management & compliance, and based on these, the Company has established a Risk Management & Compliance Committee, chaired by the president & CEO of the Company and composed of executive officers of the Company and subsidiary presidents, that examines, discusses and approves the Group’s risk management policy, direction, annual plans, corrective measures, etc. Furthermore, the structure for each division’s risk management efforts includes risk management personnel appointed by the Company’s general managers or subsidiary presidents.

(2) The Company has established a major disaster response manual, and based on this, the Company has established a General Response Office with the president & CEO as its head in order to maintain broadcasting functions, etc.

(3) The Company has established basic regulations on information security, and based on these, the Company has set up an Information Security Committee, chaired by the president & CEO of the Company and composed of executive officers of the Company and subsidiary presidents, that examines, discusses and approves the Group’s information security policy, direction, annual plans, corrective measures, etc. Furthermore, the Company will formulate an information security basic policy and ISMS information security policy and declare the proper handling of information assets inside and outside of the organization.

(4) The Company has established regulations on protection of personal information, and in accordance with these, it handles personal information, which is a key information asset, in an appropriate manner. Furthermore, to promote its efforts relating to protection of personal information, it has established a personal information protection management system as part of appropriate management of personal information by its Information Security Committee, as well as implemented and continuously improved such. It has also established a policy on protection of personal information advocating the practical implementation of appropriate handling of personal information internally and externally.

### 3. Systems for Ensuring That the Group’s Directors Execute Their Duties Effectively

(1) The Company’s Board of Directors meets once per month as a general rule and also holds impromptu meetings as required. At these meetings, the Board determines important matters relating to the Group’s basic management policies and the execution of operations, oversees the execution of duties by the directors, and receives reports on the status of operations (e.g., monthly performance) from the directors. In addition, clarifying roles by introducing an optional executive officer system and separating management decision-making/oversight functions and execution functions strengthens the Board of Directors’ decision-making and oversight functions and makes execution more flexible and speedier.

(2) The Company’s Board of Directors formulates a medium-term management plan that sets overall Group targets shared by the Group’s directors, executive officers, corporate officers, and employees, and it also defines a business plan for the Company each year. Furthermore, with the aim of achieving these targets, a system is established to enable the Group’s various divisions to perform their tasks effectively.

(3) The Group monitors its progress in achieving the above targets in a timely manner through the active use of IT, and with the aim of making the operations of the Group as a whole more efficient, the Company’s Board of Directors increases the certainty of achieving the targets by periodically reviewing their progress status.



(4) The Company has established regulations on executive officers, and in accordance with these, the Board of Directors appoints executive officers from the Company's directors, corporate officers, employees or outside personnel with due respect to the review, advice and recommendations of the Nomination & Compensation Advisory Committee. Executive officers are responsible for executing the Company's operations in accordance with the basic policies decided by the Board of Directors and under its oversight. In addition, the Company has established regulations on a Management Council, and in accordance with these, it has established a Management Council composed of executive officers and chaired by the president & CEO, with a view to ensuring appropriate execution of operations as well as timely and effective decision-making. The Management Council meets once a week as a general rule. At these meetings, it provides support for the execution of the president & CEO's duties by reviewing important matters within those approved by the president. In addition to considering practical management issues and important matters raised by the Board of Directors, it receives reports on the sharing of information on operations in each division, including group companies, etc.

#### 4. Systems for Ensuring That the Execution of Duties by the Group's Directors, Executive Officers, Corporate Officers and Employees Complies with the Law and the Articles of Incorporation

(1) The Group has stipulated a management philosophy comprising its corporate philosophy, basic management policy, and code of conduct and standards of corporate conduct, and executives and employees of the Group are made fully aware that complying with these is a prerequisite of business activities.

(2) Regarding compliance (including compliance to laws and articles of incorporation), the Company has established regulations on risk management and compliance, and in accordance with these, it has established a Risk Management & Compliance Committee, chaired by the president & CEO of the Company and composed of executive officers of the Company and subsidiary presidents, that examines, discusses and approves the Group's compliance policy, direction, annual plans, corrective measures, etc. Furthermore, the structure for each division's compliance efforts includes compliance personnel appointed by the Company's general managers or subsidiary presidents. The Company has also established manuals and other materials relating to compliance, and in addition to making the Group's employees and directors aware of these, it implements compliance-related training and awareness activities with the aim of ensuring robust compliance.

(3) To actively prevent legal violations, misconduct, etc., or to detect and address them at an early stage, the Company has established regulations on whistleblowing. In accordance with these regulations, it has set up a compliance hotline that enables Group employees and executives to inform attorneys from inside or outside the Company directly and established a system on whistle-blowing for the Group as a whole. The system prohibits prejudicial treatment of Group executives and employees who have reported information to the compliance hotline due to the act of reporting. This is stipulated in the regulations on whistleblowing, and the Group's employees and executives are made fully aware of this fact.

(4) To ensure the credibility of financial results, the Company makes efforts to conduct evaluations and implement internal control relating to financial results in compliance with the Financial Instruments and Exchange Act and other related laws. The various related divisions work efficiently and effectively to implement internal control for the Company and its subsidiaries subject to evaluation and to document, evaluate, and improve operations. Furthermore, the progress status of these efforts is reported by the Company's Management Council, and appropriate internal control relating to financial results is implemented with important issues treated as matters to be resolved by the Company's Board of Directors or matters to be reported.

(5) The Company has established regulations on internal auditing, and in accordance with these, the auditing department, an independent body under the direct control of the Company's president & CEO, performs internal auditing of the Company and subsidiaries under the president & CEO's command. The Company's auditing department reports the results of its audits to the Company's president & CEO and makes recommendations on matters deemed to require improvement to the heads of audited departments so that they may take appropriate measures. The heads of audited departments formulate and implement plans relating to these measures and report on their progress to the Company's president & CEO and auditing department.

(6) The Company has established the Code of Conduct, and in accordance with these, it has formulated



an Anti-Social Forces Exclusion Policy, which clearly outlines its firm stance on the exclusion of anti-social forces both inside and outside the Group. Furthermore, in accordance with this policy, it has established regulations for handling anti-social forces and a manual for handling them, and the Group's employees and executives, in close collaboration with external experts and specialized institutions, act in a resolute and organized manner as a company against anti-social forces and maintain no relationship whatsoever with them, thereby avoiding involvement in illegal or anti-social behavior.

### 5. Other Systems for Ensuring the Validity of the Group's Operations

a. Systems for reporting matters relating to the execution of duties by directors of subsidiaries, etc., to the relevant companies

(1) The Company has established regulations on management of affiliated companies, and in accordance with these, it has implemented a system under the command of the division in charge of supervising the Company's various subsidiaries to ensure the validity of subsidiaries' operations. The regulations on management of affiliated companies stipulate that the Company and its subsidiaries should share a common policy on corporate philosophy and management, that the independence of subsidiaries should be respected, that subsidiaries should be developed and enhanced, that important matters need to be approved by or reported to the Company, that subsidiaries should be audited by the Company's auditing department, and so forth. Furthermore, directors and employees of the Company are appointed as directors and auditors of various subsidiaries, monitor the status of subsidiaries' operations and assets, and provide guidance on areas for improvement as required.

(2) The Company has established regulations on corporate officers, and in accordance with these, the Company's representative directors nominate candidates from directors, executive officers, and employees of the Company, and the Company's Board of Directors appoints the corporate officers by resolution and reports to the Nomination & Compensation Advisory Committee. Corporate officers report on and explain the status of operation execution at their subsidiaries or affiliated companies in response to the requests of the Company's Board of Directors, president & CEO, Audit & Supervisory Board or Accounting Auditor.

b. Regulations relating to managing the risk of subsidiary losses and related systems

(1) The regulations on risk management and compliance and basic regulations on information security are applied to subsidiaries as well, and thorough systems for risk management and information security management are implemented at subsidiaries. Presidents of subsidiaries are involved in the Risk Management and Compliance Committee and the Information Security Committee as members and report on risk analysis, evaluation, etc. of subsidiaries. Furthermore, manuals on disaster response are developed for subsidiaries as required.

(2) In addition to developing regulations on protection of personal information in line with the business of the Company and each of its subsidiaries, the Company has established a personal information protection management system suiting the Company as part of appropriate management of personal information by its Information Security Committee, as well as implemented and continuously improved such while obtaining and maintaining Privacy Mark certification to promote its efforts relating to protection of personal information, where deemed necessary. Furthermore, a policy on the protection of personal information will also be established for subsidiaries as required.

c. Systems for ensuring that directors of subsidiaries execute their duties effectively

(1) Relevant Company directors (including the president & CEO), executive officers and divisions in charge periodically discuss matters such as managing the progress of business plans and management issues with the managers in charge at subsidiaries, with the aim of sharing and facing management issues and so forth together.

(2) The Company has established regulations on corporate officers, and in accordance with these, the Company's representative director nominates candidates from directors, executive officers and employees of the Company, and the Company's Board of Directors appoints the corporate officers by resolution and reports to the Nomination & Compensation Advisory Committee. Corporate officers are also officers at the Company's important subsidiaries and affiliated companies and are responsible for

management oversight and operation execution at the Company's important subsidiaries and affiliated companies in accordance with the basic policies decided by the Board of Directors and under its oversight.

d. Systems for ensuring that the execution of duties by director and employees of subsidiaries complies with the law and the articles of incorporation

With regard to compliance (including respecting the law and articles of incorporation), the regulations on risk management and compliance are also applied to subsidiaries, and in accordance with these, systems to implement compliance initiatives in various departments of subsidiaries have been established, with the president of each subsidiary or delegate appointed by that president designated as the person in charge of promoting compliance. Presidents of subsidiaries are involved in the Risk Management and Compliance Committee as members and report on compliance of subsidiaries. The Company has set up a compliance hotline that enables Group employees and executives to inform attorneys from inside or outside the Company directly, and it ensures that employees and executives are fully aware of this fact.

6. Matters Relating to Employees That the Company's Auditors Request Be Assigned to Assist Them with Their Duties

Employees are appointed to assist the Company's auditors with their duties.

7. Matters Relating to the Aforementioned Employees' Independence from the Company's Directors

To ensure the independence of employees who assist the Company's auditors with their duties from the Company's directors, the evaluation and redeployment of said employee(s) is discussed with the Company's auditors in advance, and their views are respected.

8. Matters Relating to Ensuring the Viability of Company Auditors' Instructions to the Aforementioned Employees

The Company assigns employees to assist its auditors with their duties. These employees are placed under the authority of the Company's auditors, who possess the right of command over them.

9. Systems for Reporting to the Company's Auditors by the Group's Directors, Executive Officers, Corporate Officers and Employees and Other Systems Relating to Reporting to Auditors

a. System for reporting to the company's auditors by the Group's directors, executive officers, corporate officers, and employees

The Company's full-time auditors attend important meetings relating to execution of the Company's operations, such as meetings of the Management Council, Risk Management & Compliance Committee and Information Security Committee, where they receive reports, offer opinions, and obtain information required for auditing. Furthermore, the Group's directors, executive officers, corporate officers, and employees report to the Company's auditors on key matters (e.g., matters relating to financial results, budgets, medium-term management plans, internal control system) when appropriate.

b. Systems for reporting to the company's auditors by the Group's directors, executive officers, corporate officers, auditors, and employees or individuals who have received reports from them

When asked by the Company's auditors to report on matters relating to the execution of operations, the Group's employees and executives do so promptly. Furthermore, the Company has established regulations on whistle-blowing that apply to the Group's employees and executives, and when the department responsible for the Group's system on whistle-blowing established in accordance with these regulations has verified information about conduct that would cause notable harm to the Group, it reports the relevant information to the Company's auditors. Furthermore, in accordance with these regulations, the department in charge also periodically reports to the Company's auditors on the status of whistleblowing within the Group.

10. Systems for Ensuring That Individuals Who Report Information to the Company's Auditors Are Not

### Subject to Prejudicial Treatment Due to the Act of Reporting

The Company's risk management and compliance regulations and whistleblowing regulations prohibit the prejudicial treatment of Group executives and employees who have reported information to auditors due to the act of reporting, and the Group's employees and executives are made fully aware of this fact.

### 11. Matters Relating to Policy Concerning Advance Payment or Repayment Procedure for Expenses Incurred During the Execution of Company Auditors' Duties and Handling of Other Expenses and Debts That Occur During the Execution of Said Duties

When auditors request advance payment of expenses relating to the execution of their duties based on Article 388 of the Companies Act, except in cases where the expenses or debts in the relevant request are not deemed necessary to the execution of the auditor's duties upon review by the department in charge, the request will be processed promptly. In addition, a budget for disbursement of payments to cover such expenses is set each year.

### 12. Other Systems for Ensuring That the Company's Auditors Execute Their Duties Effectively

- (1) Regular discussions are organized between the Company's representative director and auditors.
- (2) Separately from the discussions in the preceding item, the Company's representative director and full-time auditors hold discussions once a month as a general rule for the purpose of communicating with each other, and the results of these discussions are reported to the Company's Board of Auditors. Furthermore, the Board of Full-Time Auditors holds discussions with auditing firms on a regular and as-needed basis.
- (3) The Company's auditing department presents its auditing plans to the Company's Board of Auditors and reports audit results to the Board of Auditors as needed.
- (4) The Company's Board of Auditors may receive advice on auditing from external experts if necessary, and the Company also covers expenses relating to training opportunities for acquiring knowledge and relevant updates required for the Group's auditors to fulfill the roles and responsibilities expected of them as auditors in an adequate manner.
- (5) The Company's auditors may view important documents relating to the execution of the Company's operations and financial information when needed.

### Overview of Implementation

Highlights of the implementation of systems to ensure the validity of the Company's operations in the current fiscal year are summarized below:

1. The Company has established an internal control system, which is being appropriately implemented based on the above overview of resolution.
2. The Risk Management and Compliance Committee chaired by the Company's president meets every six months. The Group has performed risk analysis and evaluation and is working proactively to prevent risk issues. Compliance issues are managed and addressed through the creation of manuals, etc., raising of awareness, provision of internal training for Group employees and executives, and implementation of a reporting system. The Information Security Committee chaired by the Company's president meets once a year to examine, discuss, and approve policy relating to company-wide information security, courses of action, annual plans, corrective measures, and so forth. Additionally, to promote its efforts relating to protection of personal information, regulations on protection of personal information aligned with the business of the Company and each of its subsidiaries have been established, and where deemed necessary, a personal information protection management system suiting the Company is established as part of appropriate management of personal information by its Information Security Committee, as well as implemented and continuously improved while Privacy Mark certification is obtained and maintained.
3. The Company's Board of Directors met each month, and the Management Council met 30 times (including meetings of the former Board of Full-Time Directors) to approve specific matters of

## CORPORATE GOVERNANCE

importance to the Group's management. The Company has formulated a medium-term management plan and stipulates a business plan for each fiscal year, and the various divisions of the Group have efficiently carried out their duties with the aim of achieving the targets. At the Board of Directors' meetings held each month, the Company's business performance, financial status, and other important matters were reported. Furthermore, Group company debriefings were held each month to share issues with the Group.

4. One employee has been appointed to assist the Company's auditors with their duties.

5. The Company's full-time auditors attended important meetings, such as Board of Full-Time Directors' meetings, and obtained information required for auditing.

6. Each month, the Company's auditors received reports about the status of whistle-blowing at the Group from the department in charge of the Group's system on whistle-blowing, and a system has been established to ensure that whistle-blowers are not subjected to prejudicial treatment.

7. The Company's representative director and auditors held discussions and shared information twice during the year. The Company's representative director and full-time auditors held monthly (as a general rule) discussions for the purpose of communication, and the results were reported to the Company's Board of Auditors. Furthermore, the Board of Full-Time Auditors held eight discussions with auditing firms. The Company's auditing department presented its auditing plans to the Company's Board of Auditors and reported audit results to the Board of Auditors as needed.

### Basic Philosophy on Exclusion of Anti-Social Forces and Implementation Status- Update

#### <Basic Philosophy on Exclusion of Anti-Social Forces>

The Company, which has set an Anti-Social Forces Exclusion Policy based on the WOWOW Code of Conduct, shall exclude anti-social forces in any case under the following policy:

(1) Take action against anti-social forces as an entire organization; (2) closely cooperate with external experts and expert organizations against anti-social forces; (3) secure the safety of directors, employees and other relevant persons from anti-social forces; (4) ban any business or other ties with anti-social forces, and reject unjust demands; (5) eliminate backroom deals for covering up anti-social forces incidents; (6) be aware that accepting demands from anti-social forces is a violation of laws and regulations, and strictly prohibit provision of funds to anti-social forces; (7) do not engage anti-social forces and; (8) do not act in a way that facilitates or assists the activities of anti-social forces

#### <Status of Development of Structure for Exclusion of Anti-Social Forces>

The Company has set an "Anti-Social Forces Exclusion Policy", "Rules on Dealing with Anti-Social Forces" and a "Manual on Dealing with Anti-Social Forces" based on the WOWOW Code of Conduct to exclude anti-social forces. The unit dealing with anti-social forces is General Affairs Department and the person responsible is the director of the General Affairs Department. Directors and employees shall report immediately to the head of their department or their superior in addition to the director of the General Affairs Department when an anti-social forces incident is suspected to take place or found to have taken place.

Dealing with anti-social forces incidents is a risk that shall be addressed by the Risk Management & Compliance Committee, and the director of the General Affairs Department shall report immediately to the executive officer in charge of risk management and compliance as well as the president & CEO when the director receives a report on an anti-social forces incident, and propose convocation of the Risk Management & Compliance Committee to the secretariat on an as-needed basis. The Risk Management & Compliance Committee shall consider and decide on how to deal with such incidents.

### V. Other

#### 1. Introduction of Anti-Takeover Measures

Introduced anti-takeover measures	None
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# CORPORATE GOVERNANCE

## Supplemental Explanation of Relevant Matters

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### 2. Other Matters Relating to Corporate Governance System, Etc. – Update

#### Overview of Timely Disclosure System

The Company has stipulated that information management managers are to be appointed from among the directors and director-level executives, and a system for having key information be collected by these managers has been adopted. The information management managers dealing with financial instrument exchanges are appointed by the Board of Directors as managers responsible for timely disclosure of internal information.

Internal regulations have been stipulated concerning information transmission, storage, and management as well as non-disclosure agreements with third parties where required, with the aim of implementing rigorous information management.

When instructions are received from an information management manager following a decision about important matters by a decision-making body, following an instruction from the representative director, president & CEO to disclose important facts that have arisen, or following a decision by the Board of Directors to disclose financial results-related information, timely disclosure of information about key matters is performed without delay by the Corporate Communications & Investor Relations Department, which is the department in charge of information management. For details, please see the attached “Overview of Timely Disclosure System.”

#### Overview of Timely Disclosure System





