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TSE Code: 9697
ISIN: JP3218900003
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May 27, 2026

To: Shareholders

Notice of Convocation of the 47th Ordinary General Meeting of Shareholders

We would like to express our appreciation for your continued support, and we also would like to inform you that the 47th Ordinary General Meeting of Shareholders of CAPCOM Co., Ltd. (the “Company”) will be held as described below. The Company has taken measures for electronic provision in convening this General Meeting of Shareholders and posted matters subject to measures for electronic provision on the Company’s website and other internet site(s) set out below.

[The Company’s website]

<https://www.capcom.co.jp/ir/english/stock/meeting.html>

[Tokyo Stock Exchange (TSE) website (Listed Company Search)]

The matters subject to measures for electronic provision are also posted on the Tokyo Stock Exchange, Inc. (TSE) website. Please access the TSE website listed below (Listed Company Search), perform a search by inputting “CAPCOM” into “Issue name (company name)” or “9697” (half-width) into securities “Code,” and select “Basic information” and then “Documents for public inspection/PR information.”

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

You can exercise your voting rights regarding the proposals via the Internet or by mail. Please review the Reference Documents for the General Meeting of Shareholders listed below and kindly exercise your voting rights by 5:30 p.m. Japan time on Wednesday, June 17, 2026.

[Exercising your voting rights by mail]

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

[Exercising your voting rights via the Internet]

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

Exercising voting rights via the Internet can only be done by accessing the website of Mitsubishi UFJ Trust and Banking Corporation, the administrator of the shareholder register (<https://evote.tr.mufg.jp/>). Please use the log-in ID and temporary password shown on the Voting Rights Exercise Form. After logging in, please indicate your approval or disapproval of each proposal before the deadline stated above by following the instructions on the display screen.

Please see the Guidance for the Exercise of Voting Rights via the Internet attached below (*note: intentionally omitted*).

The Company participates in the electronic voting rights execution platform for institutional investors operated by ICJ, Inc.

If voting rights are exercised both via the Internet and using the Voting Rights Exercise Form, the voting rights exercised via the Internet will be considered valid.

(Note)

Your vote is important. We appreciate your participation in the Meeting through the provision of instruction to your custodian(s), broker(s), nominee(s), voting agent(s), or other authorized intermediaries to process your vote as soon as possible. We look forward to receiving your vote.

Yours faithfully,

CAPCOM Co., Ltd.
1-3, Uchihirano-machi 3-chome, Chuo-ku,
Osaka, Japan
By: Haruhiro Tsujimoto
President and COO
Representative Director

Particulars

1. Date & Time: June 18, 2026 (Thursday) at 10:00 a.m.
(Reception is scheduled to open at 9:00 a.m.)
2. Place: The Ritz-Carlton Osaka, The Ritz-Carlton Grand Ballroom, 4th floor
5-25 Umeda 2-chome, Kita-ku, Osaka

3. Meeting Agenda:

Matters to be reported:

1. The Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements for the Company's 47th Fiscal Year (April 1, 2025 - March 31, 2026)
2. Results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements for the Company's 47th Fiscal Year (April 1, 2025 - March 31, 2026)

Proposals to be resolved:

- | | |
|--------------------|--|
| Proposal 1: | Appropriation of Retained Earnings |
| Proposal 2: | Election of Eleven (11) Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee) |
| Proposal 3: | Election of Three (3) Directors Who Are Members of the Audit and Supervisory Committee |
| Proposal 4: | Election of One (1) Substitute Director Who Is a Member of the Audit and Supervisory Committee |
| Proposal 5: | Revision of Monetary Bonus Amounts for Directors (Excluding External Directors and Directors Who Are Members of the Audit and Supervisory Committee) |
| Proposal 6: | Introduction of a Performance-linked Stock Remuneration System (with a One-year Target Evaluation Period) for Directors (Excluding External Directors and Directors Who Are Members of the Audit and Supervisory Committee) |
| Proposal 7: | Revision of the Remuneration Limits for the Performance-linked Stock Remuneration System (with a Three-year Target Evaluation Period) for Directors (Excluding External Directors and Directors Who Are Members of the Audit and Supervisory Committee) |
| Proposal 8: | Introduction of a Restricted Stock Remuneration System for External Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee) |

4. Others:

- If voting rights are exercised both via the Internet and by mail, the voting rights exercised via the Internet will be recognized as valid.
- If voting rights are exercised multiple times via the Internet, the last vote made will be recognized as valid.
- If there is no indication of approval or disapproval of each proposal on the Voting Rights Exercise Form, it will be deemed as approved.

■ The Reference Documents for the General Meeting of Shareholders and a part of the Business Report are also sent to shareholders who have not requested the delivery of the documents.

- Based on laws and regulations and the provisions of Article 15, Paragraph 2 of the Company's Articles of Incorporation, the following items are omitted from the documents sent to shareholders who have requested the delivery of documents. Accordingly, the relevant documents are part of the documents audited by the Accounting Auditor and the Audit and Supervisory Committee when preparing the audit report.
 - ・ Consolidated notes to the consolidated financial statements
 - ・ Non-consolidated notes to the non-consolidated financial statements
- If any amendments are made to the matters subject to measures for electronic provision, said amendments will be posted on each website listed above.
- Instead of sending out a written notice on the results of the resolutions of this Ordinary General Meeting of Shareholders, the results will be posted on the Company's website after the conclusion of the Ordinary General Meeting of Shareholders
(<https://www.capcom.co.jp/ir/english/stock/meeting.html>).
- If the situation changes by the day of the General Meeting of Shareholders due to future circumstances, information will be posted on the Company's website
(<https://www.capcom.co.jp/ir/english/stock/meeting.html>).
- Please note that proceedings will be carried out in Japanese on the day of the General Meeting of Shareholders, and no interpreters will be provided.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Retained Earnings

The Company considers the return of profits to shareholders to be one of its most important management issues. Taking future business development and changes in the business environment into consideration, the Company aims for the consolidated payout ratio of 30% as its basic policy and strives to continuously pay stable dividends.

The Company ensures the investments necessary to increase corporate value and financial soundness. Based on the above policy, and from the perspective of shareholder returns that take cash flows into consideration, as well as the fact that the Company achieved a new record high in terms of profit attributable to owners of the parent, the Company proposes a year-end dividend of ¥25 per share for the fiscal year under review as indicated below, an increase of ¥3 compared to the year-end dividend of ¥22 per share distributed in the previous fiscal year.

As a result, the annual dividend for the fiscal year under review will be ¥45 per share, as the Company has already paid an interim dividend of ¥20 per share, and the consolidated payout ratio will be 34.5%.

1. Type of dividend property
Cash
2. Matters concerning the allotment of dividend property and the total amount paid to shareholders
Per share of common stock of the Company: ¥25 Total: ¥10,655,539,750
3. Effective date of appropriation of surplus
June 19, 2026 (Friday)

(Reference) Trends in dividends, etc.

	43rd Fiscal Year ended March 2022	44th Fiscal Year ended March 2023	45th Fiscal Year ended March 2024	46th Fiscal Year ended March 2025	47th Fiscal Year ended March 2026 (Fiscal Year under Review)
Annual Dividend per Share (Yen)	46	63	70	40	45
Annual Dividend (Million Yen)	9,820	13,426	14,917	17,048	19,179
Consolidated Dividend Payout Ratio (%)	30.2	36.1	33.7	34.5	34.5

- (Notes) 1. A stock split took place on April 1, 2024, whereby one ordinary share was split into two shares.
2. The consolidated payout ratio for the 44th Fiscal Year was calculated with the inclusion of a 40th anniversary commemorative dividend of ¥10.
3. The figures for the 47th Fiscal Year (Fiscal Year under Review) assume that this proposal will be approved as originally proposed.

Proposal 2: Election of Eleven (11) Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee)

The terms of office of all eleven (11) current Directors (excluding Directors who are members of the Audit and Supervisory Committee) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect eleven (11) Directors.

In the selection of the candidates for Director, to enhance transparency and objectivity, the Company consulted the Nomination and Remuneration Committee (chaired by an External Director, with External Directors comprising the majority of its members), and the Board of Directors decided on the candidates after deliberation and recommendations by the Committee.

The Audit and Supervisory Committee, as a result of deliberation of this proposal, has expressed its opinion that the candidates are appropriate as Directors of the Company.

The candidates for Director are as follows.

No.	Name	Current positions and responsibilities at the Company	Years serving as Director (Tenure)	Attendance at the Board of Directors meetings (BOD attendance)	Number of listed companies concurrently served
1	Kenzo Tsujimoto [Internal] [Reappointment]	Chairman and Representative Director, Chief Executive Officer (CEO)	43	8/9 89%	—
2	Haruhiro Tsujimoto [Internal] [Reappointment]	President and Representative Director, Chief Operating Officer (COO), and in charge of Entertainment Experience Business and Pachinko & Pachislo Business Divisions	29	9/9 100%	—
3	Satoshi Miyazaki [Internal] [Reappointment]	Representative Director, Executive Vice President, Chief Human Resources Officer (CHO), Chief Financial Officer (CFO), in charge of Corporate Management Divisions	5	9/9 100%	—
4	Yoshinori Ishida [Internal] [Reappointment]	Director, Executive Corporate Officer, in charge of Global Business Divisions	4	9/9 100%	—
5	Ryozo Tsujimoto [Internal] [Reappointment]	Director, Executive Corporate Officer, Chief Product Officer (CPO), in charge of Development Divisions	4	9/9 100%	—
6	Yoshinobu Sasahara [Internal] [Reappointment]	Director, Executive Corporate Officer, and deputy in charge of Corporate Management Divisions	1	8/8 100%	—
7	Yutaka Mizukoshi [External] [Reappointment] [Independent]	Director	8	9/9 100%	1
8	Toshiro Muto [External] [Reappointment] [Independent]	Director	4	9/9 100%	—
9	Yumi Hirose [External] [Reappointment] [Independent]	Director	4	8/9 89%	2
10	Main Kohda [External] [Reappointment] [Independent]	Director	2	9/9 100%	1
11	Yasuko Metcalf [External] [Reappointment] [Independent]	Director	1	8/8 100%	—

(Notes) 1. “Years serving as Director (Tenure)” are as of the conclusion of this General Meeting of Shareholders.

2. The attendance figures for Mr. Yoshinobu Sasahara and Ms. Yasuko Metcalf show their attendance following their election at last year’s General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 [Internal] [Reappointment] Kenzo Tsujimoto (December 15, 1940) [Tenure] 43 years [BOD attendance] 8/9 (89%)	Jun. 1983 President and Representative Director of the Company Apr. 1997 Chairman of the Association of Copyright for Computer Software Apr. 2001 Chief Executive Officer (CEO) of the Company (to present) Jul. 2007 Chairman and Representative Director (to present) Feb. 2010 Representative Director of Kenzo Estate Winery Japan Co., Ltd. (to present) Sep. 2024 Honorary Advisor of Japan Volleyball Association (to present) [Significant concurrent positions] Representative Director of Kenzo Estate Winery Japan Co., Ltd.	8,080,020
[Reason for nomination and expected roles] Mr. Kenzo Tsujimoto has led the Capcom Group as CEO with his strong leadership, excellent foresight, and abundant experience, as well as his ability to make swift decisions and execute them well. His charismatic presence as the founder of the Company provides a spiritual linchpin and unifying force for the Company's officers and employees. In light of his achievements to date, and as he can be expected to continue to contribute to the enhancement of corporate value, the Company requests his re-election as Director.			
[Special interests between the candidate and the Company] Mr. Tsujimoto is concurrently the Representative Director of Kenzo Estate Winery Japan Co., Ltd. The Company has a trading relationship with Kenzo Estate Winery Japan Co., Ltd., including purchase of its products.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2		Apr. 1987 Joined the Company Jun. 1997 Director Feb. 1999 Managing Director Apr. 2001 Senior Managing Director Jul. 2004 Director and Executive Corporate Officer Apr. 2006 Director and Executive Vice President Jul. 2007 President and Representative Director, Chief Operating Officer (COO) (to present) Aug. 2016 President and Representative Director, in charge of Global Marketing Business and Arcade Operations Business May 2023 Chairman, Computer Entertainment Supplier's Association (to present) Apr. 2025 President and Representative Director, in charge of Arcade Operations Business Divisions and Pachinko & Pachislo Business Divisions of the Company Apr. 2026 President and Representative Director, in charge of Entertainment Experience Business and Pachinko & Pachislo Business Divisions [Significant concurrent positions] Chairman, Computer Entertainment Supplier's Association	10,052,900
	[Internal] [Reappointment]		
	Haruhiro Tsujimoto (October 19, 1964)		
	[Tenure] 29 years		
	[BOD attendance] 9/9 (100%)		
[Reason for nomination and expected roles] Since taking office as President, Mr. Haruhiro Tsujimoto has, as COO, been engaged in the deep cultivation of the Company's existing business and in the diversification of its business fields. In addition to strengthening software development, the core business of the Capcom Group, he has worked to expand peripheral businesses, such as Arcade Operations, through his work promoting the Company's Single Content Multiple Usage Strategy. He has also worked steadily to strengthen the Company's management foundations with agile management and sound executive skills in response to changes in the environment. As he can be expected to continue to contribute to the Company's advancement, the Company requests his re-election as Director.			
[Special interests between the candidate and the Company] Mr. Tsujimoto is concurrently the Chairman of Computer Entertainment Supplier's Association, with which the Company has a trading relationship, including the payment of annual membership fees.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 [Internal] [Reappointment] Satoshi Miyazaki (February 23, 1960) [Tenure] 5 years [BOD attendance] 9/9 (100%)	Apr. 1983 Joined The Industrial Bank of Japan, Ltd. (now Mizuho Bank, Ltd.) Apr. 2011 Executive Officer, General Manager of Corporate Banking Division No. 6 of the Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.) Apr. 2013 Managing Executive Officer in charge of Sales of Mizuho Corporate Bank, Ltd. and Mizuho Bank, Ltd. Apr. 2016 Executive Officer and Deputy President in charge of Western Japan of Mizuho Financial Group, Inc. Representative Director and Deputy President, Executive Officer in charge of Western Japan of Mizuho Bank, Ltd. Apr. 2020 Representative Director and Deputy President of Mizuho Bank, Ltd. Apr. 2021 Resigned from the post above May 2021 Executive Vice President of the Company (to present) Jun. 2021 Director Apr. 2022 Director, Chief Human Resources Officer (CHO) In charge of Corporate Management Divisions (to present) Apr. 2024 Representative Director Apr. 2025 Representative Director, Chief Human Resources Officer (CHO), and Chief Financial Officer (CFO) (to present)	13,400
[Reason for nomination and expected roles] With his many years of experience working for financial institutions and his broad knowledge, Mr. Satoshi Miyazaki is working to strengthen the foundations of the Capcom Group's top management and overall management, as well as overseeing the Administrative Divisions in general. As he can be expected to continue to contribute to the Company's sustainable growth and enhancement of corporate value by seamlessly promoting the development of the Company's human resources investment strategy and financial strategy as its Chief Human Resources Officer (CHO) and Chief Financial Officer (CFO), the Company requests his re-election as Director.			
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	 [Internal] [Reappointment] Yoshinori Ishida (March 23, 1970) [Tenure] 4 years [BOD attendance] 9/9 (100%)	Apr. 1992 Joined the Company Apr. 2005 General Manager of Sales Promotion Division Mar. 2011 Deputy Head of Consumer Games Business Division Apr. 2013 Corporate Officer, Head of Domestic Consumer Games Business Division Apr. 2016 Corporate Officer, Head of Japan & Asia Business Division Apr. 2019 Managing Corporate Officer, Head of Japan & Asia Business Division, and Deputy Head of Mobile Online Development Division Sep. 2021 Managing Corporate Officer, Head of Global Business Division Apr. 2022 Executive Corporate Officer (to present) Jun. 2022 Director, in charge of Global Business Divisions (to present) Apr. 2024 Director, Head of Global Business Division and E-Character License Business Division Apr. 2026 Director, Head of Global Business Divisions (to present)	7,700
[Reason for nomination and expected roles] Mr. Yoshinori Ishida is highly knowledgeable about trends in the games market and the business environment, having worked in the consumer business for many years since joining the Company. He also has a wealth of experience in overseas business and development. As he can be expected to continue to contribute to the further promotion of the global expansion of the Company's business, the Company requests his re-election as Director.			
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 [Internal] [Reappointment] Ryozo Tsujimoto (October 18, 1973) [Tenure] 4 years [BOD attendance] 9/9 (100%)	Apr. 1996 Joined the Company Sep. 2013 General Manager of Development Division 3 Apr. 2014 Corporate Officer, Head of Consumer Games Development Division 3 Jun. 2017 Corporate Officer, Head of Consumer Games Development Division 3 and Head of Mobile Online Development Division Apr. 2018 Managing Corporate Officer, Head of Consumer Games Development Division 2 and Head of Mobile Online Development Division Oct. 2020 Managing Corporate Officer Head of Consumer Games Development Division 2 (to present) Apr. 2022 Executive Corporate Officer (to present) Jun. 2022 Director, deputy in charge of Development Division Apr. 2025 Director, Chief Product Officer (CPO), in charge of Development Divisions (to present)	9,937,800
[Reason for nomination and expected roles] Mr. Ryozo Tsujimoto has a great deal of expertise and a wealth of knowledge, as well as broad knowledge about games in general and familiarity with actual operations, having worked in games development for many years since joining the Company. In addition, as Chief Product Officer (CPO), he has been working to build a robust development structure based on the Group's advanced development and technological capabilities, while also strengthening development linked to management and business strategies. As he can be expected to continue to contribute to the Company's advancement, the Company requests his re-election as Director.			
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	 [Internal] [Reappointment] Yoshinobu Sasahara (November 8, 1967) [Tenure] 1 year [BOD attendance] 8/8 (100%)	Aug. 2008 Joined the Company Apr. 2011 General Manager of Accounting Department Oct. 2015 Seconded to CAPCOM TAIWAN CO., LTD. Jan. 2016 Representative Director and CEO, CAPCOM TAIWAN CO., LTD. Jan. 2019 General Manager of Corporate Planning Department of the Company Apr. 2020 Corporate Officer Apr. 2022 Managing Corporate Officer Apr. 2025 Head of Planning and Strategy Divisions (to present) Apr. 2025 Executive Corporate Officer, deputy in charge of Corporate Management Divisions (to present) Jun. 2025 Director (to present)	10,900
[Reason for nomination and expected roles] Mr. Yoshinobu Sasahara possesses specialized knowledge of finance and accounting, having gathered extensive experience in the Accounting and Corporate Planning Departments since joining the Company, and has played central roles in formulating and promoting management plans and business strategies. In addition to these achievements, he has been overseeing the Administrative Divisions in general, focusing his efforts on achieving the Group's management targets and achieving sustainable growth in a wide range of areas, based on his global knowledge obtained through his experience serving as CEO of an overseas subsidiary. As he can be expected to continue to play an important role in the advancement of the Company, the Company requests his re-election as Director.			
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
	 [External] [Reappointment] [Independent] Yutaka Mizukoshi (August 29, 1956) [Tenure] 8 years [BOD attendance] 9/9 (100%)	Sep. 1990 Joined the Boston Consulting Group Jun. 1997 Vice President Jan. 2005 Japan Co-chair Jan. 2016 Senior Partner and Managing Director Jun. 2016 Outside Director of Lifenet Insurance Company External Director of Asagami Corporation (to present) Jan. 2018 Senior Advisor of the Boston Consulting Group Jun. 2018 External Director of the Company (to present) Jun. 2019 Director of Japan Rugby Football Union Jun. 2022 Vice President of Japan Rugby Football Union (to present) Jan. 2023 Senior Partner Emeritus of the Boston Consulting Group (to present) [Significant concurrent positions] External Director of Asagami Corporation	6,600
[Reason for nomination and expected roles as External Director] In addition to a high degree of expertise in management analysis and the formulation of management strategy, acquired through many years of experience and insights gained in the consultancy industry, Mr. Yutaka Mizukoshi proactively gives opinions and recommendations from an independent standpoint, based on a high level of insight into economic trends and a well-developed international sensibility. As he can be expected to continue to contribute to stronger audit and supervision of the Board of Directors from an outside perspective, the Company requests his re-election as External Director.			
7	[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.		
	[Independence] The Company has registered Mr. Mizukoshi as an Independent Director with Tokyo Stock Exchange, Inc., and if he is re-elected, the Company plans to maintain his registration as an Independent Director. Please see Page 25 for the Company's Criteria for Independence of External Directors.		
	[Liability Limitation Agreement] The Company has entered into a liability limitation agreement with Mr. Mizukoshi pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Mr. Mizukoshi is re-elected, the Company plans to continue this agreement.		
	[Other items related to the candidate] The former representative director as well as two former employees of ADK Holdings Inc. ("ADK"), of which Mr. Mizukoshi served as an Outside Director (Member of Audit and Supervisory Committee) until March 2026, were found guilty, with their sentences to be suspended, in July 2023 and May 2023, respectively, in connection with a bribery incident relating to the 2020 Tokyo Olympic and Paralympic Games that took place during the period from November 2019 to January 2022. ADK's subsidiary ADK Marketing Solutions Inc. was also issued a cease and desist order by the Japan Fair Trade Commission in June 2025 for having violated the Antimonopoly Act in connection with operations related to the above-mentioned athletic event. Furthermore, ADK Marketing Solutions Inc. has not been ordered to pay a surcharge, as it applied for and was granted relief under the Leniency Programme. Mr. Mizukoshi was unaware of these matters until they were discovered, but he has fulfilled his professional duties, regularly giving advice and recommendations about the importance of legal compliance in Board of Directors meetings. Following the discovery, ADK set up an independent investigation committee for the purpose of analyzing the facts related to the case, including governance and internal control, as well as the causes and problems related to the case, and proposing measures to prevent recurrence and improve the situation. As a member of that committee, Mr. Mizukoshi gave his opinions and recommendations as appropriate on initiatives to rebuild the governance and compliance structures.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	 [External] [Reappointment] [Independent] Toshiro Muto (July 2, 1943) [Tenure] 4 years [BOD attendance] 9/9 (100%)	Apr. 1966 Joined the Ministry of Finance Jul. 1999 Director-General of the Budget Bureau of the Ministry of Finance Jun. 2000 Vice Minister of the Ministry of Finance Jan. 2003 Adviser to the Minister of Finance Mar. 2003 Deputy Governor of the Bank of Japan Jul. 2008 Chairman of Daiwa Institute of Research Ltd. Jun. 2009 Outside Audit & Supervisory Board Member of Sumitomo Metal Corporation (now Nippon Steel Corporation) Jun. 2010 External Director of Mitsui & Co., Ltd. Jan. 2014 Director General/CEO of the Tokyo Organising Committee of the Olympic and Paralympic Games (dissolved in June 2022) Jul. 2018 Honorary Chairman of Daiwa Institute of Research Ltd. (to present) Jun. 2022 External Director of the Company (to present) [Significant concurrent positions] Honorary Chairman of Daiwa Institute of Research Ltd.	1,400
	[Reason for nomination and expected roles as External Director] Although Mr. Toshiro Muto has not participated in management of companies other than as an external director and an external audit & supervisory board member, he possesses a high degree of insight into finance, the economy in general, and corporate governance, cultivated at the Ministry of Finance, the Bank of Japan, and business corporations. As such, he gives objective recommendations and advice on management overall from broad perspectives. As he can be expected to continue to contribute to stronger audit and supervision of the Board of Directors from an independent standpoint, the Company requests his re-election as External Director.		
	[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.		
	[Independence] The Company has registered Mr. Muto as an Independent Director with Tokyo Stock Exchange, Inc., and if he is re-elected, the Company plans to maintain his registration as an Independent Director. Please see Page 25 for the Company's Criteria for Independence of External Directors.		
	[Liability Limitation Agreement] The Company has entered into a liability limitation agreement with Mr. Muto pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Mr. Muto is re-elected, the Company plans to continue this agreement.		
	[Other items related to the candidate] Mr. Muto served as Director General/CEO of the Tokyo Organising Committee of Olympic and Paralympic Games until June 2022. A former executive of the Organising Committee was prosecuted four times by the Tokyo District Public Prosecutors Office between August and November 2022 on suspicion of accepting bribes for contracts related to the 2020 Tokyo Olympic and Paralympic Games. A former employee of the Committee was also found guilty, with their sentence to be suspended, in December 2023 for violations of the Antimonopoly Act in connection with operational services for the Games. However, these matters were unknown while Mr. Muto was serving as Director General/CEO. During his term of office, Mr. Muto fulfilled his duties, including calling for attention from the perspective of obeying laws and regulations and being thorough regarding compliance issues.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	 [External] [Reappointment] [Independent] Yumi Hirose (November 7, 1960) [Tenure] 4 years [BOD attendance] 8/9 (89%)	Apr. 1979 Joined Tokyo Regional Taxation Bureau Jul. 2012 Internal Inspector of National Tax Agency Commissioner's Secretariat Jul. 2015 District Director of Yukigaya Tax Office Jul. 2016 Director of Personnel Division 2, General Affairs Department, Tokyo Regional Taxation Bureau Jul. 2017 Director of General Affairs Division, National Tax College Jul. 2018 Research Coordination Director of Research Division 3, Tokyo Regional Taxation Bureau Jul. 2019 Deputy Director of Research Division 2 Jul. 2020 District Director of Shiba Tax Office Aug. 2021 Registered as a Certified Public Tax Accountant (Tokyo Certified Public Tax Accountants' Association) Founded Hirose Tax Accountant Office, Chief Representative (to present) Dec. 2021 Goodwill Ambassador for Mikurajima Village, Tokyo (to present) Jun. 2022 External Director of the Company (to present) External Director (Audit and Supervisory Committee Member) of TOREX SEMICONDUCTOR LTD. (to present) Jun. 2025 Independent Director of SHIN NIPPON BIOMEDICAL LABORATORIES, LTD. (to present) [Significant concurrent positions] Director of Hirose Tax Accountant Office External Director (Audit and Supervisory Committee Member) of TOREX SEMICONDUCTOR LTD. Independent Director of SHIN NIPPON BIOMEDICAL LABORATORIES, LTD.	4,100
[Reason for nomination and expected roles as External Director] Although Ms. Yumi Hirose has not participated in management of companies other than as an external director, she has expert knowledge and a wealth of experience obtained as a certified public tax accountant and her many years working in tax administration, as well as a considerable degree of insight into finance and accounting. She also possesses advanced knowledge of health and productivity management. Based on these assets, she proactively gives opinions and recommendations from an outside perspective. As she can be expected to continue to contribute to stronger audit and supervision of the Board of Directors and deeper human resources strategies based on the aforementioned experience and insights, the Company requests her re-election as External Director.			
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			
[Independence] The Company has registered Ms. Hirose as an Independent Director with Tokyo Stock Exchange, Inc., and if she is re-elected, the Company plans to maintain her registration as an Independent Director. Please see Page 25 for the Company's Criteria for Independence of External Directors.			
[Liability Limitation Agreement] The Company has entered into a liability limitation agreement with Ms. Hirose pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Ms. Hirose is re-elected, the Company plans to continue this agreement.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
	 [External] [Reappointment] [Independent] Main Kohda (April 25, 1951) [Tenure] 2 years [BOD attendance] 9/9 (100%)	Sep. 1995 Started as an independent Novelist, to the present Jan. 2003 Member of Financial System Council, Ministry of Finance Japan Apr. 2004 Visiting Professor, Faculty of Economics, Shiga University Mar. 2005 Member of the Council for Transport Policy, Ministry of Land, Infrastructure, Transport and Tourism Nov. 2006 Member of Government Tax Commission Jun. 2010 Member of the Board of Governors, Japan Broadcasting Corporation Jun. 2012 Outside Director, Japan Tobacco Inc. Jun. 2013 Outside Director, LIXIL Group Corporation (currently LIXIL Corporation) Jun. 2016 Outside Director, Japan Exchange Group Jun. 2018 Outside Director, MITSUBISHI MOTORS CORPORATION (to present) Jun. 2024 External Director of the Company (to present) [Significant concurrent positions] Novelist	1,100
10	[Reason for nomination and expected roles as External Director] Although Ms. Main Kohda has not participated in management of companies other than as an external director, she has great knowledge of international finance, as well as a deep familiarity with the business world due to her extensive experience serving as a member of government councils and as external director at listed companies. Based on these assets, she proactively gives opinions and recommendations from a fair and independent standpoint. As she can be expected to contribute to stronger audit and supervision of the Board of Directors based on her extensive knowledge and experience, as well as the deep insight and objective perspective she demonstrates through her work as a novelist, the Company requests her re-election as External Director. [Special interests between the candidate and the Company] There are no special interests between the candidate and the Company. [Independence] The Company has registered Ms. Kohda as an Independent Director with Tokyo Stock Exchange, Inc., and if she is re-elected, the Company plans to maintain her registration as an Independent Director. Please see Page 25 for the Company's Criteria for Independence of External Directors. [Liability Limitation Agreement] The Company has entered into a liability limitation agreement with Ms. Kohda pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Ms. Kohda is re-elected, the Company plans to continue this agreement. [Other items related to the candidate] In December 2024, Tokyo Stock Exchange, Inc. ("TSE"), a subsidiary of Japan Exchange Group ("JPX"), of which Ms. Kohda served as an Outside Director until June 2024, and JPX received a report collection order from the Financial Services Agency regarding the case in which a former TSE employee violated the Financial Instruments and Exchange Act (violation of insider trading regulations) between January and March 2024, and was subsequently found guilty and given a suspended sentence in May 2025. Ms. Kohda was unaware of the incident during her tenure at JPX, as it was discovered following an investigation by the Securities and Exchange Surveillance Commission only after Ms. Kohda's retirement as an Outside Director for JPX. During her tenure, Ms. Kohda recognized that the trust of investors and market participants, including listed companies, in the JPX Group is critical to the company's business operations, and she therefore made appropriate recommendations to the JPX Board of Directors regarding the compliance of officers and employees with laws and regulations as well as how the internal control system should be organized.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
11	 [External] [Reappointment] [Independent] Yasuko Metcalf (June 10, 1966) [Tenure] 1 year [BOD attendance] 8/8 (100%)	May 1989 Passed the Uniform CPA Examination (U.S. CPA) Sep. 1990 Joined the Chicago office of KPMG LLP Nov. 1990 Registered as a U.S. CPA (Illinois) Dec. 1999 Posted to KPMG Thailand Oct. 2000 Partner at KPMG LLP Oct. 2003 Finished posting at KPMG Thailand Returned to the Chicago office of KPMG LLP Partner at KPMG LLP overseeing services for Japanese companies in the Midwest U.S. Sep. 2024 Retired from KPMG LLP Jun. 2025 External Director of the Company (to present)	—
	[Reason for nomination and expected roles as External Director] Although Ms. Yasuko Metcalf has not participated in management of companies other than as an external director, she has considerable knowledge of finance and accounting as a U.S. certified public accountant (U.S. CPA), in addition to a high level of insight in the areas of international corporate management and corporate governance from her many years of auditing, taxation, and consulting experience at a U.S. audit firm, and offers objective opinions and recommendations based on this professional expertise. As she can be expected to continue to contribute to stronger audit and supervision of the Board of Directors based on her extensive knowledge, experience, and global perspective, the Company requests her re-election as External Director.		
	[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.		
	[Independence] Until her retirement in September 2024, Ms. Metcalf was a partner at KPMG LLP, which belongs to the same network as the Company's Accounting Auditor, KPMG AZSA LLC. As a result, the Group has a transactional relationship with KPMG LLP with respect to audits, etc., of the Company's subsidiaries, but this relationship is minimal, accounting for less than 1% of consolidated net sales or transactions for both parties. In addition, Ms. Metcalf was not involved in any auditing or other work for the Company or its subsidiaries during her tenure at KPMG LLP and meets the Company's criteria for independence. The Company has therefore determined that her independence as an External Director is not affected. Furthermore, the Company has registered Ms. Metcalf as an Independent Director with Tokyo Stock Exchange, Inc., and if she is re-elected, the Company plans to maintain her registration as an Independent Director. Please see Page 25 for the Company's Criteria for Independence of External Directors.		
	[Liability Limitation Agreement] The Company has entered into a liability limitation agreement with Ms. Metcalf pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Ms. Metcalf is re-elected, the Company plans to continue this agreement.		

Proposal 3: Election of Three (3) Directors Who Are Members of the Audit and Supervisory Committee

The terms of office of all three (3) current Directors who are members of the Audit and Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes to elect three (3) Directors who are members of the Audit and Supervisory Committee.

In the selection of the candidates for Directors who are members of the Audit and Supervisory Committee, to enhance transparency and objectivity, the Company consulted the Nomination and Remuneration Committee (chaired by an External Director, with External Directors comprising the majority of its members), and the Board of Directors decided on the candidates after deliberation and recommendations by the Committee.

The Audit and Supervisory Committee has given its approval of this proposal.

The candidates for Directors who are members of the Audit and Supervisory Committee are as follows.

No.	Name	Current positions and responsibilities at the Company	Years serving as Director (Tenure)	Attendance at the Board of Directors meetings (BOD attendance)	Attendance at the Audit and Supervisory Committee meetings (ASC attendance)	Number of listed companies concurrently served
1	Toyoshige Hanaoka [Internal] [New appointment]	Deputy Head of R&D Management Division	—	—	—	—
2	Mutsuhiko Koro [External] [Reappointment] [Independent]	Director (Full-time member of the Audit and Supervisory Committee)	2	9/9 100%	10/10 100%	—
3	Wataru Kotani [External] [Reappointment] [Independent]	Director (Member of the Audit and Supervisory Committee member)	5	9/9 100%	10/10 100%	—

(Notes) 1. “Years serving as Director (Tenure)” are as of the conclusion of this General Meeting of Shareholders.

2. Mr. Wataru Kotani’s tenure as an External Director of the Company is 3 years, while his tenure as an External Director who is an Audit and Supervisory Committee member is 2 years.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 [Internal] [New appointment] Toyoshige Hanaoka (November 10, 1969)	May 2000 Joined the Company Apr. 2006 General Manager of R&D Management Division Apr. 2011 Corporate Officer, Deputy Head of R&D Management Division Jun. 2011 Corporate Officer, Head of R&D Management Division Oct. 2012 Corporate Officer, Deputy Head of Consumer Games Production Division Apr. 2014 Corporate Officer, Head of Consumer Games Production Division Jan. 2015 Corporate Officer, Head of Consumer Games R&D Management Division Apr. 2018 Corporate Officer, Deputy Head of R&D Management Division Apr. 2020 Deputy Head of R&D Management Division (to present)	14,400
[Reason for nomination and expected roles as Director who is a Member of the Audit and Supervisory Committee] Mr. Toyoshige Hanaoka possesses considerable knowledge of finance and accounting, having gathered extensive experience in the Accounting and Corporate Planning Departments. In addition, as Head of the R&D Management Division, he has worked in collaboration with business units, doing his utmost to strengthen the development structure toward sustainable growth by controlling development costs, as well as managing development personnel and development progress. As he can be expected to contribute to stronger audit and supervision of the Board of Directors from a position of expertise in management, business operations, and development, the Company requests his election as Internal Director who is a member of the Audit and Supervisory Committee.			
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			
[Liability Limitation Agreement] If Mr. Hanaoka's election is approved, the Company plans to enter into a liability limitation agreement with him pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 [External] [Reappointment] [Independent] Mutsuhiko Koro (February 12, 1965) [Tenure] 2 years [BOD attendance] 9/9 (100%) [ASC attendance] 10/10 (100%)	Apr. 1989 Joined National Tax Agency Jul. 2018 Director of National Tax Agency Commissioner's Secretariat Jul. 2019 Director of General Affairs Department, Osaka Regional Taxation Bureau Jul. 2020 Director of Collection Division, Revenue Management and Collection Department, National Tax Agency Oct. 2020 Director of Individual Taxation Division, Taxation Department Jul. 2021 Director of Taxation Management Division, Taxation Department Jul. 2022 Regional Commissioner of Sapporo National Tax Bureau Jul. 2023 Director of Revenue Management and Collection Department, National Tax Agency Jun. 2024 External Director of the Company (Full-time member of the Audit and Supervisory Committee) (to present)	600
[Reason for nomination and expected roles as External Director who is a Member of the Audit and Supervisory Committee] Although Mr. Mutsuhiko Koro has never participated in the management of companies other than as an external director, he possesses specialized knowledge and extensive experience in tax administration, as well as considerable knowledge of finance and accounting, and provides guidance and advice from an outside perspective based on this high level of insight. As he can be expected to continue to contribute to stronger audit and supervision of the Board of Directors from an independent and objective standpoint, the Company requests his re-election as External Director who is a member of the Audit and Supervisory Committee.			
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			
[Independence] The Company has registered Mr. Koro as an Independent Director with Tokyo Stock Exchange, Inc., and if he is re-elected, the Company plans to maintain his registration as an Independent Director. Please see Page 25 for the Company's Criteria for Independence of External Directors.			
[Liability Limitation Agreement] The Company has entered into a liability limitation agreement with Mr. Koro pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Mr. Koro is re-elected, the Company plans to continue this agreement.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 [External] [Reappointment] [Independent] Wataru Kotani (April 7, 1957) [Tenure] 5 years [BOD attendance] 9/9 (100%) [ASC attendance] 10/10 (100%)	Apr. 1980 Joined the National Police Agency Aug. 2002 Chief of Ehime Prefectural Police Headquarters Apr. 2004 Chief of the Cybercrime Division, Community Safety Bureau, National Police Agency Jul. 2008 Chief of Nagano Prefectural Police Headquarters Aug. 2010 Chief of the Organized Crime Department, Criminal Affairs Bureau, National Police Agency Jan. 2013 Deputy Superintendent General and Acting Chief of the Crime Prevention Task Force, Tokyo Metropolitan Police Department Jan. 2014 President of the National Police Academy Nov. 2014 Special Advisor of Japan Post Bank Co., Ltd. Jun. 2021 Director of Japan Center for Examination Research (to present) Jun. 2024 External Director of the Company External Director of the Company (Audit and Supervisory Committee member) (to present)	1,600
[Reason for nomination and expected roles as External Director who is a Member of the Audit and Supervisory Committee] Although Mr. Wataru Kotani has not participated in the management of companies other than as an external director, he has engaged in police administration for many years and is deeply familiar with the fields of cybersecurity and information security. In addition, he provides suggestions and advice to the Company's management from a neutral and objective perspective, based on his broad range of expertise and abundant experience in overall law. As he can be expected to continue to contribute to stronger audit and supervision of the Board of Directors from the perspectives of risk management and ensuring legal compliance, the Company requests his re-election as External Director who is a member of the Audit and Supervisory Committee.			
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.			
[Independence] The Company has registered Mr. Kotani as an Independent Director with Tokyo Stock Exchange, Inc., and if he is re-elected, the Company plans to maintain his registration as an Independent Director. Please see Page 25 for the Company's Criteria for Independence of External Directors.			
[Liability Limitation Agreement] The Company has entered into a liability limitation agreement with Mr. Kotani pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations. If Mr. Kotani is re-elected, the Company plans to continue this agreement.			

[Reference] Skill Matrix of Board Members at the Conclusion of this Ordinary General Meeting of Shareholders

Management Philosophy

Capcom is a creator of entertainment culture that aims to develop software content that excites and stimulates the senses.

Vision

A company that captivates people around the world with our best-in-class immersive content

Management Targets

Increasing consolidated operating profit by 10% each fiscal year

Board of Directors of the Company

- Based on the Group's management philosophy and vision, the Board of Directors of the Company comprises members who have *diverse perspectives, abundant experience, and diverse, specialized and advanced skills* to achieve the Company's management targets and realize sustainable growth
- Governance system that enables the demonstration of audit and supervisory functions through the proactive participation of External Directors
 - * The Company has been pursuing diversity by selecting candidates based on their personal character, knowledge, and insights, regardless of gender, nationality, age, and other attributes.

Name	Position	Gender	Independence (External Director)	Composition of Board of Directors/Committee (◎: Chair)			
				Board of Directors	Audit and Supervisory Committee	Nomination and Remuneration Committee	Risk Compliance Committee
Kenzo Tsujimoto	Chairman and Representative Director, Chief Executive Officer (CEO)	Male		◎	—	—	—
Haruhiro Tsujimoto	President and Representative Director, Chief Operating Officer (COO)	Male		●	—	—	●
Satoshi Miyazaki	Representative Director, Executive Vice President, Chief Human Resources Officer (CHO), and Chief Financial Officer (CFO)	Male		●	—	●	●
Yoshinori Ishida	Director, Executive Corporate Officer	Male		●	—	—	●
Ryozo Tsujimoto	Director, Executive Corporate Officer, Chief Product Officer (CPO)	Male		●	—	—	●
Yoshinobu Sasahara	Director, Executive Corporate Officer	Male		●	—	●	●
Yutaka Mizukoshi	External Director	Male	●	●	—	◎	●
Toshiro Muto	External Director	Male	●	●	—	—	●
Yumi Hirose	External Director	Female	●	●	—	—	●
Main Kohda	External Director	Female	●	●	—	●	◎
Yasuko Metcalf	External Director	Female	●	●	—	—	●
Toyoshige Hanaoka	Director (Full-time member of the Audit and Supervisory Committee)	Male		●	●	●	●
Mutsuhiko Koro	External Director (Full-time member of the Audit and Supervisory Committee)	Male	●	●	●	●	●
Wataru Kotani	External Director (Member of the Audit and Supervisory Committee)	Male	●	●	◎	●	●

* If Proposals 2 and 3 are approved as proposed, there will be 14 Directors consisting of seven (7) internal Directors and seven (7) External Directors. All seven (7) External Directors are scheduled to be registered as Independent Directors.

Requirements in Fields of Particular Expectation

Company management	Directors with experience as representative directors of listed companies or equivalent, or experience supervising company management as external directors or external audit & supervisory board members of other companies are required to enable the formulation of effective management strategies aimed at medium- to long-term growth.
Management strategy	Directors who are able to formulate management strategies based on practical experience in marketing and sales, broad knowledge, and a medium- to long-term perspective are required, to enable the Company to build a management structure with rapid decision-making and stronger supervision/monitoring of accompanying risks, with a view to the expansion of the core business.
Gaming industry	Directors with practical experience and knowledge in each field of expertise are required to identify the greatly changing global market and industry trends, as well as to implement effective strategies that leverage digital technologies in a timely and appropriate manner, based on the Company's unique development capabilities and content (IP).
Digital transformation/ IT/Technology	
R&D	
Global sensibility/ International awareness	
Finance/Accounting/Tax	To achieve continuous growth, directors with knowledge and experience in finance, accounting, and taxation are required to build a robust financial base enabling aggressive strategic investment by securing stable cash and improving capital efficiency.
Legal/Risk management	In order to continuously enhance corporate value, directors with practical experience and knowledge of legal affairs and risk management are necessary to enable the Board of Directors to function effectively in making important management decisions and supervising the execution of the Company's business operations.

Name	Fields of particular expectation to achieve the medium-term growth strategy							
	Company management	Management strategy	Gaming industry	Digital Transformation/ IT/Technology	R&D	Global sensibility/ International awareness	Finance/ Accounting/ Tax	Legal/Risk management
Kenzo Tsujimoto	●	●	●	●		●		
Haruhiro Tsujimoto	●	●	●	●	●	●		
Satoshi Miyazaki	●	●	●	●		●	●	●
Yoshinori Ishida		●	●	●		●		
Ryozo Tsujimoto			●	●	●	●		
Yoshinobu Sasahara		●	●	●		●	●	●
Yutaka Mizukoshi	●	●		●		●		
Toshiro Muto	●					●	●	●
Yumi Hirose	●						●	●
Main Kohda	●					●	●	●
Yasuko Metcalf	●	●				●	●	
Toyoshige Hanaoka		●	●	●	●		●	●
Mutsuhiko Koro							●	●
Wataru Kotani				●				●

* The table above is not an exhaustive list of all the knowledge of the candidates.

Criteria for Independence of External Directors

The Company has established criteria for judging the independence of External Directors, and judges External Directors who do not fall under any of the following items to be independent.

- (i) An executive of the Company and its consolidated subsidiaries (the “Group”; the same shall apply hereinafter) at present or in the past ten (10) years;
- (ii) A counterparty for which the Group is a major business client (mainly corporations that have transactions with the Group accounting for 1% or more of the consolidated net sales or total transaction value of either party) or an executive thereof;
- (iii) A major business client of the Group (mainly corporations that have transactions with the Group accounting for 1% or more of the consolidated net sales or total transaction value of either party) or an executive thereof;
- (iv) A major shareholder of the Company (holding 10% or more of total voting rights) or an executive thereof, or a corporation of which the Group is a major shareholder;
- (v) An executive of an organization or corporation to which the Group has provided large amounts of donations, loans, or guarantees;
- (vi) An executive of a corporation with which the Group has cross-directorships;
- (vii) An attorney, certified public accountant, consultant, etc. who received ¥10 million or more in cash or other assets per year other than Director’s remuneration (if the recipient belongs to a corporation or association, those that have transactions with the Group accounting for 1% or more of the consolidated net sales or total transaction value of either party);
- (viii) A person falling under any of (ii) to (vii) above in a fiscal year in the past ten (10) years; and
- (ix) A spouse or relative within the second degree of kinship of the person falling under any of (i) to (viii) above.

Indemnity Agreement

The Company has entered into an indemnity agreement prescribed in Article 430-2, Paragraph 1 of the Companies Act with the candidates Mr. Kenzo Tsujimoto, Mr. Haruhiro Tsujimoto, Mr. Satoshi Miyazaki, Mr. Yoshinori Ishida, Mr. Ryoza Tsujimoto, Mr. Yoshinobu Sasahara, Mr. Yutaka Mizukoshi, Mr. Toshiro Muto, Ms. Yumi Hirose, Ms. Main Kohda, and Ms. Yasuko Metcalf, as well as Mr. Mutsuhiko Koro and Mr. Wataru Kotani to indemnify them against expenses and losses provided in Items 1 and 2 of the said Paragraph, respectively, to the extent prescribed by laws and regulations.

However, this is provided that in cases where a Director is found to have executed duties to unlawfully gain benefits, unlawfully benefit a third party or cause damage to the Company, the Director returns any expenses, etc. covered by the Company.

The Company plans to continue these agreements if Mr. Kenzo Tsujimoto, Mr. Haruhiro Tsujimoto, Mr. Satoshi Miyazaki, Mr. Yoshinori Ishida, Mr. Ryoza Tsujimoto, Mr. Yoshinobu Sasahara, Mr. Yutaka Mizukoshi, Mr. Toshiro Muto, Ms. Yumi Hirose, Ms. Main Kohda, and Ms. Yasuko Metcalf, as well as Mr. Mutsuhiko Koro and Mr. Wataru Kotani are re-elected.

In addition, the Company plans to enter into an agreement with Mr. Toyoshige Hanaoka if he is elected.

Directors and Officers Liability Insurance Agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance company as prescribed in Article 430-3, Paragraph 1 of the Companies Act to insure the directors, audit & supervisory board members, corporate officers and other personnel of the Company and its subsidiaries. This agreement covers litigation expenses, compensation for damages and other items associated with claims for damages filed against the insured in their official capacity during the term of the insurance.

However, exemptions apply where damages mainly due to intentional violations of laws and regulations or criminal acts by the insured are not covered.

The Company pays all insurance premiums under this agreement. If the candidates for Director (excluding Directors who are members of the Audit and Supervisory Committee) and Directors who are members of the

Audit and Supervisory Committee are re-elected or elected, they will be covered by this insurance agreement.

Proposal 4: Election of One (1) Substitute Director Who Is a Member of the Audit and Supervisory Committee

The effectiveness of the election of Mr. Hitoshi Kanamori, a substitute Director who is a member of the Audit and Supervisory Committee who was elected at the 45th Ordinary General Meeting of Shareholders held on June 20, 2024, shall expire at the beginning of this General Meeting of Shareholders.

Accordingly, in preparation for a situation where the number of Directors who are members of the Audit and Supervisory Committee falls below the number required by law, the Company proposes to elect one (1) substitute Director who is a member of the Audit and Supervisory Committee.

In the selection of the candidate for substitute Director who is a member of the Audit and Supervisory Committee, to enhance transparency and objectivity, the Company consulted the Nomination and Remuneration Committee (chaired by an External Director, with External Directors comprising the majority of its members), and the Board of Directors decided on the candidate after deliberation and recommendations by the Committee.

The Audit and Supervisory Committee has given its approval of this proposal.

The candidate for substitute Director who is a member of the Audit and Supervisory Committee is as follows.

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
 [Substitute External Director who is a member of the Audit and Supervisory Committee] Hitoshi Kanamori (August 1, 1954)	Apr. 1984 Public Prosecutor, Tokyo District Public Prosecutors Office Apr. 1985 Public Prosecutor, Yamagata District Public Prosecutors Office Apr. 1988 Public Prosecutor, Niigata District Public Prosecutors Office Apr. 1992 Admitted to the bar (Tokyo Bar Association) Feb. 1996 Director of Musashinokai Social Welfare Corporation Apr. 2002 Councilor of Association for International Manpower Development of Medium and Small Enterprises, Japan (now Public Interest Foundation International Manpower Development Organization, Japan) Oct. 2018 Lawyer, Kanamori Law Office (to present) Mar. 2020 Representative Director and President (full-time) of Public Interest Foundation International Manpower Development Organization, Japan (to present) [Significant concurrent positions] Attorney of Kanamori Law Office Representative Director and President of Public Interest Foundation International Manpower Development Organization, Japan	—
[Reason for nomination and expected roles as substitute External Director who is a Member of the Audit and Supervisory Committee] Although Mr. Hitoshi Kanamori has not participated in management of companies other than as an external director or an external audit & supervisory board member, he possesses knowledge and extensive experience as an attorney, and can be expected to contribute to stronger audit and supervision of the Board of Directors through accurate guidance and advice as a legal expert. Accordingly, the Company requests his election as substitute External Director who is a member of the Audit and Supervisory Committee. In addition, if Mr. Kanamori assumes office as External Director who is a member of the Audit and Supervisory Committee, he will be registered as an Independent Director with Tokyo Stock Exchange, Inc.		
[Special interests between the candidate and the Company] There are no special interests between the candidate and the Company.		

[Liability Limitation Agreement] If Mr. Kanamori assumes office as External Director who is a member of the Audit and Supervisory Committee, the Company plans to enter into a liability limitation agreement with him pursuant to Article 427, Paragraph 1 of the Companies Act, which limits liability for damages provided for in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the aforesaid agreement is the minimum amount provided for in laws and regulations.
[Indemnity Agreement] If Mr. Kanamori assumes office as External Director who is a member of the Audit and Supervisory Committee, the Company plans to enter into an indemnity agreement with him pursuant to Article 430-2, Paragraph 1 of the Companies Act to indemnify him against expenses and losses provided in Items 1 and 2 of the said Paragraph, respectively, to the extent prescribed by laws and regulations. However, this is provided that in cases where a Director is found to have executed duties to unlawfully gain benefits, unlawfully benefit a third party or cause damage to the Company, the Director returns any expenses, etc. covered by the Company.
[Directors and Officers Liability Insurance Agreement] The Company has entered into a directors and officers liability insurance agreement with an insurance company as prescribed in Article 430-3, Paragraph 1 of the Companies Act to insure the directors, audit & supervisory board members, corporate officers and other personnel of the Company and its subsidiaries. If Mr. Kanamori assumes office as External Director who is a member of the Audit and Supervisory Committee, he will become an insured person under this insurance agreement. This agreement covers litigation expenses, compensation for damages and other items associated with claims for damages filed against the insured in their official capacity during the term of the insurance. However, exemptions apply where damages mainly due to intentional violations of laws and regulations or criminal acts by the insured are not covered.
[Other items related to the candidate] Public Interest Foundation International Manpower Development Organization, Japan (“IM Japan”), of which Mr. Kanamori has served as Representative Director and President since March 2020, was investigated based on information that the corporation had provided special benefits to a specified business operator in past business years, and as a result of the investigation, IM Japan received counsel from the administrative government agency (Prime Minister) in July and October 2021. During the period when IM Japan provided benefits to the specified business operator, Mr. Kanamori was a corporate legal advisor and councilor of the corporation, but he was not involved in the operations of IM Japan and was not aware of any transactions related to the provision of benefits. Moreover, following the discovery, Mr. Kanamori assumed the position of Representative Director and President and immediately implemented improvements such as reforming the business execution system, including establishing a compliance office, enhancing the audit system, establishing regulations, and exercising a system of checks and balances for each director. In addition, he has been striving to operate IM Japan’s business with an emphasis on compliance, in accordance with relevant laws and regulations.

References Materials Common to Proposals 5 to 8

The Company has decided to revise its remuneration system for its Directors (excluding Directors who are members of the Audit and Supervisory Committee) in order to further strengthen initiatives aimed at enhancing the Group's medium- to long-term corporate value and expanding incentives for stable profit growth, as well as promoting a greater sharing of value with shareholders.

The details and justifications for Proposals 5 to 8 concerning the revision of the remuneration system are set forth in the individual proposals presented on pages 33 through 48. In making these proposals, we will provide an overview of the current remuneration system for the Company's Directors (excluding Directors who are members of the Audit and Supervisory Committee) and explanations of the proposed revisions as follows.

1. History of Deliberations Regarding the Review of the Remuneration System

In connection with this review of the remuneration system, the Company consulted with its Nomination and Remuneration Committee, which is chaired by an External Director (and a majority of whose members are External Directors). Based on the committee's deliberations and recommendations, the Company resolved at a Board of Directors meeting held on May 13, 2026, to present Proposals 5 to 8 for approval at this Ordinary General Meeting of Shareholders. In addition, the Board of Directors has resolved that if these proposals are approved and adopted as originally proposed, it would revise the Guidelines for Determining the Remuneration, etc. of Individual Directors (hereinafter, referred to as the "Determination Guidelines"). See pages 48 to 49 for an overview of the Determination Guidelines after its revision.

Based on the revised remuneration system, the number of the Company's common shares granted to Directors (excluding Directors who are members of the Audit and Supervisory Committee) (i.e., the maximum number of shares granted per year) shall not exceed 1.88 million shares annually. The ratio of the number of said shares to the total number of issued shares (calculated by deducting treasury shares, including the Company's common shares held by the "Stock-granting ESOP Trust Account," from the total number of issued shares as of the end of April 2026, also known as the dilution ratio) is approximately 0.45%.

2. Overview of Proposals 5 to 8 and Overview of the Company's Remuneration System for Directors (excluding Directors who are members of the Audit and Supervisory Committee)

(1) Overview of the Current and Revised Remuneration Systems for Directors (Excluding External Directors and Directors who are Members of the Audit & Supervisory Committee) (Related to Proposals 5 to 7)

Type of remuneration				Overview	Current	Revised	Revisions	
Fixed remuneration		Monetary	Basic remuneration		Amount of remuneration (Limit determined by resolution of the General Meeting of Shareholders)	Up to 800 million yen annually	Up to 800 million yen annually	No
Performance-linked remuneration (variable remuneration)	Short-term	Monetary	Monetary bonus		Amount of remuneration (Limit determined by resolution of the General Meeting of Shareholders) [Proposal 5]	Up to 800 million yen annually	Up to 1,500 million yen annually	Yes
		Stock		1-year evaluation	Introduction of system [Proposal 6]	—	Up to 800 million yen and 640 thousand shares annually	Newly introduced
	Medium- to long-term	Stock	Performance-linked remuneration	3-year evaluation	Amount of Remuneration (Limit decided by a resolution of the General Meeting of Shareholders) [Proposal 7]	Up to 800 million yen and 2 million shares annually	Up to 1,500 million yen and 1.2 million shares annually (Note)	Yes

- (Notes) 1. Each type of performance-linked remuneration (variable remuneration) grants cash or the Company's common shares according to the degree of achievement of targets, etc. At the time of the aforementioned revisions, whether or not the cash or shares in question will be delivered to each Eligible Director, as well as the amounts to be delivered, have not yet been determined.
2. Given the potential for diluting existing shareholders' stakes, the annual limit will be revised from the current 2.0 million shares to 1.2 million shares.

Types and details of remuneration			Significance and purpose of remuneration	Evaluation indicators, etc.	Calculation formula, etc.
Before revision	After revision				
Category	Category	Composition			
Basic remuneration	Basic remuneration	Monetary Around 35%	Steady performance of duties in accordance with position, responsibilities, etc.	—	Remuneration based on position, responsibilities, etc.
Monetary bonus	Monetary bonus	Monetary Around 35%	Incentive to improve Group performance every fiscal year	Consolidated operating profit (year-on-year)	Previous fiscal year's monetary remuneration × (1 + Year-on-year change in consolidated operating profit) × Year-on-year change in basic remuneration - Current fiscal year's basic remuneration
Performance-linked stock remuneration (3-year evaluation)	Performance-linked stock remuneration (1-year evaluation)	Stock Around 12.5%	Incentive to achieve for stable profit growth by "increasing operating profit by 10% each fiscal year"	Consolidated operating profit (year-on-year)	Current fiscal year's monetary bonus × Coefficient based on the year-on-year change in consolidated operating profit
	Performance-linked stock remuneration (3-year evaluation)	Stock Around 17.5%	Incentive to enhance medium- to long-term performance and corporate value	Profit attributable to owners of parent (3-year cumulative) TSR (vs. TOPIX)	Basic remuneration for the starting year of the target evaluation period × 50% × Degree of achievement of growth targets such as business performance × 3-year rate of share price growth

- (Notes) 1. "TSR" stands for "Total Shareholder Return" and refers to the total return on investment for shareholders, combining capital gains and dividends. Hereinafter to be referred to as "TSR."
2. The composition ratios indicated under "After revision" reflects the remuneration composition for the Representative Director's in the event that the Group achieves its management target of a 10% increase in consolidated operating profit for the fiscal year ending March 31, 2027. Note that these ratios are subject to change depending on the Company's business performance and fluctuations in the price of Company shares.

(2) Overview of the Current and Revised Remuneration Systems for External Directors (Excluding Directors who are Members of the Audit and Supervisory Committee) (Related to Proposal 8)

Type of remuneration			Overview	Current	Revised	Revisions
Fixed remuneration	Monetary	Basic remuneration	Amount of remuneration (Limit determined by resolution of the General Meeting of Shareholders)	Up to 100 million yen annually	Up to 100 million yen annually	No
Variable remuneration	Stock	Restricted stock remuneration (not performance-linked)	Introduction of system [Proposal 8]	—	Up to 50 million yen and 40 thousand shares annually	Newly introduced

(Note) The Company's stock-based remuneration system, which is a form of variable remuneration, is a non-performance-linked stock remuneration by which common shares of the Company's stock with transfer restrictions are awarded annually to eligible External Directors. The transfer restrictions on these shares are lifted upon the Director's cessation of service under the condition that said eligible External Director has continuously served as a Director of the Company or in some

other position designated by the Company's Board of Directors for a period of time designated by the Company's Board of Directors.

Types and details of remuneration			Significance and purpose of remuneration	Evaluation indicators, etc. to be used as payment conditions	Calculation formula, etc.
Before revision	After revision				
Category	Category	Composition			
Basic remuneration	Basic remuneration	Monetary Around 75%	Supervising the Company's management from an objective and independent standpoint	—	Remuneration based on position and responsibilities
	Restricted stock remuneration (not performance-linked)	Stock Around 25%	Incentive to enhance medium- to long-term corporate value	Tenure during the applicable period	Fixed sum (not performance-linked)

(Note) The composition ratios indicated under “After revision” reflect the composition of remuneration for each External Director (excluding Directors who are members of the Audit and Supervisory Committee) for the fiscal year ending March 31, 2027.

Proposal 5: Revision of Monetary Bonus Amounts for Directors (Excluding External Directors and Directors Who Are Members of the Audit and Supervisory Committee)

1. Details and Reasons for the Proposal

At the 45th Ordinary General Meeting of Shareholders held on June 20, 2024, the Company received approval for the monetary remuneration for the Company's Directors (excluding Directors who are members of the Audit and Supervisory Committee), consisting of a basic (fixed) remuneration amount up to 900 million yen annually (including up to 100 million yen for External Directors). Furthermore, at the same Ordinary General Meeting of Shareholders, shareholders approved the provision of monetary bonuses as performance-linked remuneration (variable remuneration) for Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee; hereinafter referred to as "Eligible Directors"), separate from the aforementioned basic remuneration, of up to 800 million yen annually. This arrangement remains in effect to this day.

As indicated on pages 29 to 32 in conjunction with the review of its remuneration system for Directors (excluding Directors who are members of the Audit and Supervisory Committee), the Company would like to request shareholders' approval to revise the amount of the aforementioned monetary bonuses to an annual limit of 1,500 million yen.

Furthermore, each of the aforementioned remuneration amounts does not include the employee salary portion for Directors concurrently serving as employees.

The current number of Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee) is six. If Proposal 2 is approved as proposed at this Ordinary General Meeting of Shareholders, the Company will have six Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee).

2. Reasons for Determining that a Revision of the Monetary Bonus Amount is Appropriate

The Board of Directors decided on this proposal in consultation with the Nomination and Remuneration Committee based on the Committee's deliberations and recommendations. The Company has determined that this proposal is appropriate as it is in line with the content of the revised Determination Guidelines (described on pages 48 to 49).

Moreover, as a result of deliberations, the Company has received an opinion from the Audit and Supervisory Committee that this proposal is appropriate.

3. Overview of Monetary Bonuses

The monetary bonuses paid as performance-linked remuneration (variable remuneration) are a form of performance-linked remuneration paid to Eligible Directors to heighten their awareness of the link between their compensation and the Company's performance and to increase their motivation to improve the Company's performance each fiscal year.

For this reason, monetary bonuses are based on consolidated operating profit, which is used as a performance evaluation indicator reflecting the degree of growth, etc. in the Group's performance. Concretely speaking,

Directors will receive monetary remuneration calculated using the following formula that links the percentage change in consolidated operating profit, etc. during the period from April 1 of each year to March 31 of the following year (one fiscal year, hereinafter referred to as the “evaluation period”) as compared to the previous fiscal year to the percentage change in the total monetary remuneration of said Directors.

Accordingly, monetary bonuses pay cash according to the degree of growth, etc. in the Company’s performance. At the time of the revision above, it has not been determined whether each Eligible Director will receive such monetary remuneration, nor the amount to be paid.

[Calculation formula]

$$\boxed{\text{Total monetary bonus amount}} = \boxed{\text{Total monetary remuneration for the previous fiscal year}} \times \left(1 + \boxed{\text{Rate of change in consolidated operating profit for the Evaluation Period compared to the previous fiscal year}} \right) \times \boxed{\text{Total basic remuneration compared to the previous fiscal year}} - \boxed{\text{Total amount of basic remuneration for the Evaluation Period}}$$

(Note) Starting this fiscal year, an amount of 300,000 yen per Eligible Director is included in the basic remuneration to cover the costs of health examinations. However, this cost will not be included in the “Total basic remuneration amount” or “Total monetary remuneration amount” as defined in the [Calculation formula] above. There are no changes to other elements of the System as compared to before the revision.

Eligible Directors’ individual monetary bonus amounts shall be calculated by allocating the total monetary bonus amount determined using the above formula according to ratios predetermined by the Company’s Board of Directors for each fiscal year, based on the positions, responsibilities, and other factors of the Eligible Directors.

4. Loss of Right to Receive Monetary Bonus and Clawbacks

Eligible Directors will lose the right to receive monetary bonuses if they engage in specific misconduct as determined by the Company’s Board of Directors, or resign from office due to specific reasons determined by the Company’s Board of Directors.

In addition, as determined by the Company’s Board of Directors based on the results of deliberation and recommendations by the Nomination and Remuneration Committee, in the event that financial statements are adjusted due to serious misconduct, fraud, or a serious accounting error, Eligible Directors may be asked to return all or part of the monetary bonus received during the relevant fiscal year, as well as during the previous three fiscal years.

5. Future Revisions to the System

The performance evaluation indicators, calculation method, and other details of this system may be changed as appropriate by resolution of the Board of Directors, following consultation with the Nomination and Remuneration Committee, in response to changes in the business environment or revision of management targets.

Proposal 6: Introduction of a Performance-linked Stock Remuneration System (with a One-year Target Evaluation Period) for Directors (Excluding External Directors and Directors Who Are Members of the Audit and Supervisory Committee)

1. Details and Reasons for the Proposal

As indicated on pages 29 to 32, in conjunction with the review of its remuneration system for Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee, hereinafter “Eligible Directors”), the Company would like to request shareholders’ approval to introduce a new performance-linked stock remuneration system (hereinafter, the “System”) with a one-year Target Evaluation Period, separate from the performance-linked stock remuneration system with a three-year Target Evaluation Period as described in Proposal 7.

The System is intended to grant Eligible Directors performance-linked stock remuneration (with a one-year Target Evaluation Period) in accordance with the provisions of the System, outside the scopes of the basic remuneration for Directors (excluding Directors who are members of the Audit and Supervisory Committee), monetary bonus for Eligible Directors, and performance-linked stock remuneration (with a three-year Target Evaluation Period) for Eligible Directors.

Regarding the remuneration limit for this System, the total value of common shares of the Company’s stock with transfer restrictions (hereinafter, Restricted Stock (RS) granted to Eligible Directors or the monetary remuneration claims paid for the purpose of such grants as part of this System shall not exceed 800 million yen annually, and the total number of common shares of the Company’s stock (hereinafter, “Company shares”) granted shall not exceed a total of 640,000 shares.

In addition, the current number of Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee) is six. If Proposal 2 is approved as proposed at this Ordinary General Meeting of Shareholders, the Company will have six Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee).

2. Reasons for Determining that the Introduction of the System is Appropriate

The Board of Directors decided on this proposal after consultation with the Nomination and Remuneration Committee based on the Committee’s deliberations and recommendations. The Company has determined that this proposal is appropriate as it is in line with the content of the revised Determination Guidelines (described on pages 48 to 49).

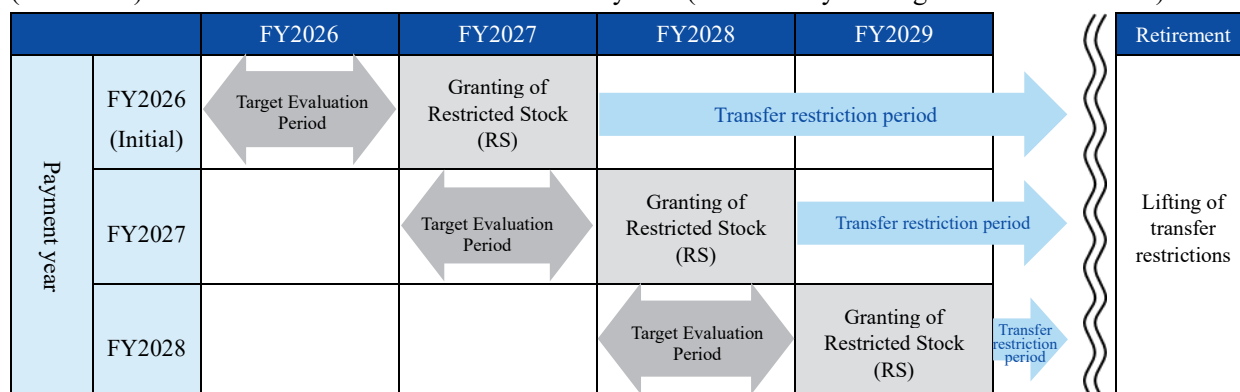
Moreover, as a result of deliberations, the Company has received an opinion from the Audit and Supervisory Committee that this proposal is appropriate.

3. Overview of the System

The System is a form of stock-based remuneration linked to performance that is granted annually to Eligible Directors, in principle, after the completion of the applicable time period in the form of Company shares in an amount calculated as described below (4) to reflect the degree to which targets have been achieved during the period from April 1 each year to the following March 31 (one fiscal year, to be referred to as the “Target

Evaluation Period”) in order to increase the incentives to achieve the Group’s management target of 10% annual growth in operating profit, ensure stable profit growth, and further share value with shareholders. An overview of the System is given in the figure below.

(Reference) Performance-linked stock remuneration system (with a one-year Target Evaluation Period)



(Note) The initial year in which the restricted stock is granted is fiscal year 2026. The Target Evaluation Period is one fiscal year, starting on April 1, 2026 and ending on March 31, 2027. We plan to continue granting performance-linked stock remuneration beyond FY2027, within the scope approved at this Ordinary General Meeting of Shareholders, with each fiscal year designated as a payment year and Target Evaluation Period.

Accordingly, the performance-linked stock remuneration (with a one-year Target Evaluation Period) grants Company shares according to the degree of achievement of targets such as business performance, etc. At the time of the introduction of the System, whether or not the shares will be delivered to each Eligible Director, as well as the amount to be delivered, have not yet been determined.

(1) Contents of restricted stock allocation agreement

When issuing or disposing of Company shares as performance-linked stock remuneration (with a one-year Target Evaluation Period) according to this System, the Company and the Eligible Directors (limited to Eligible Directors who are Directors of the Company or serve in other positions determined by the Company’s Board of Directors on the date of the resolution of the Company’s Board of Directors) will enter into a restricted stock allocation agreement (hereinafter the “Allocation Agreement”). The contents of the agreement include the following provisions.

- ① Eligible Directors may not transfer, create security interests in, or otherwise dispose of Company shares allocated under the Allocation Agreement (hereinafter the “Allocated Shares”) during the period from the date of issuance of the Allocated Shares until the date on which the Eligible Directors lose their position as Directors of the Company or other positions designated by the Board of Directors of the Company (hereinafter, the “Transfer Restrictions”).
- ② In the event that the Company’s Board of Directors determines that it is appropriate for the Company to acquire the Allocated Shares free of charge due to a violation of laws and regulations, internal rules, or the Allocation Agreement by an Eligible Director, or for other reasons, the Company shall acquire the Allocated Shares free of charge.

(2) Allocation method of restricted stock

As performance-linked stock remuneration (with a one-year Target Evaluation Period), the Company will issue Restricted Stock (RS) based on performance indicators during the Target Evaluation Period.

Restricted Stock (RS) will be delivered by method (i) or (ii) below.

- (i) The Company will allocate Company shares to Eligible Directors free of charge as consideration for the Directors' execution of duties, without requiring any payment of money, etc. in exchange for the offered shares.
- (ii) The Company will pay monetary remuneration claims in an amount calculated by multiplying the number of shares to be allocated to relevant Eligible Directors by the amount to be paid in for Company shares to be allocated, and in exchange for the in-kind contribution of such monetary remuneration claims by each Eligible Director, allocate Company shares to each Eligible Director.

The amount of remuneration for Eligible Directors when using the aforementioned method (i) and the amount to be paid for the Company shares to be allocated to Eligible Directors when using method (ii) above, will be determined by the Company's Board of Directors based on the closing price of ordinary trading of Company shares on the Tokyo Stock Exchange on the business day preceding the day of the resolution of the Board of Directors regarding the determination of such allocation (if no trading is concluded on said day, the closing price on the most recent trading day preceding it), within a range that is not particularly advantageous to the Eligible Directors.

(3) Limit to the performance-linked stock remuneration (with a one-year Target Evaluation Period)

The total value of the Restricted Stock (RS) granted to Eligible Directors, or the monetary remuneration claims paid for the purpose of such grants (in the case of method (ii) above only) shall not exceed 800 million yen, annually.

In addition, the total number of Company shares to be granted shall not exceed 640,000 shares per year, and the ratio of the number of said shares to the total number of issued shares (the total number of issued shares as of the end of April 2026 minus treasury shares, including Company shares held by the "Stock-granting ESOP Trust Account") is 0.15%. However, if a stock split of Company shares (including the gratis allotment of Company shares) or a reverse stock split occurs on or after the date of this proposal's approval, or if any other reason arises that necessitates an adjustment to the total number of Company shares to be issued or disposed of, the total amount will be adjusted within a reasonable range.

(4) Calculation method for performance-linked stock remuneration (with a one-year Target Evaluation Period)

The amount of Restricted Stocks (RS) to be delivered to each Eligible Director will be calculated according to the following formula.

[Calculation formula]

$$\boxed{\begin{array}{c} \text{Number of shares of Restricted Stock (RS) to} \\ \text{be delivered to each Eligible} \\ \text{Director} \end{array}} = \boxed{\begin{array}{c} \text{Standard number} \\ \text{of shares (1)} \end{array}} \times \boxed{\begin{array}{c} \text{Coefficient based on the year-} \\ \text{on-year change in consolidated} \\ \text{operating profit (2)} \end{array}}$$

- (1) The “Standard number of shares” is determined by the Company’s Board of Directors according to the monetary bonus amounts of Eligible Directors during the Target Evaluation Period.
- (2) The “Coefficient based on the year-on-year change in consolidated operating profit” is based on the growth rate of consolidated operating profit during the Target Evaluation Period and ranges from 0% to 60%, depending on a coefficient determined by the Company’s Board of Directors, considering the positions, responsibilities, etc., of the Eligible Directors.

If, during the Target Evaluation Period, an Eligible Director passes away or resigns from his or her position as a Director of the Company or other position determined by the Company’s Board of Directors for a reason deemed valid by the Company’s Board of Directors, or if a proposal regarding a merger agreement in which the Company becomes a merged company, a stock exchange agreement in which the Company becomes a wholly-owned subsidiary, a stock transfer plan, or other organizational restructuring is approved by the Company’s General Meeting of Shareholders (however, in cases where the reorganization, etc. does not require approval by the Company’s General Meeting of Shareholders, then by the Company’s Board of Directors), or if some other reason arises that is considered valid by the Company’s Board of Directors, then the Company may, as necessary, grant a reasonably adjusted number or value of Company shares, or, as an alternative to such a grant, pay a cash amount reasonably calculated by the Company’s Board of Directors as equivalent to said shares, etc., at a time deemed reasonable by the Company’s Board of Directors.

- (5) Loss of right to receive performance-linked stock remuneration (with a one-year Target Evaluation Period) and clawbacks

Eligible Directors will lose the right to receive the performance-linked stock remuneration (with a one-year Target Evaluation Period) if they engage in specific misconduct as determined by the Company’s Board of Directors, or resign from office due to specific reasons determined by the Company’s Board of Directors.

In addition, as determined by the Company’s Board of Directors based on the results of deliberation and recommendations by the Nomination and Remuneration Committee, in the event that financial statements are adjusted due to serious misconduct, fraud, or a serious accounting error, Eligible Directors will be required to return all or part of the performance-linked stock remuneration (with a one-year Target Evaluation Period) received during the relevant fiscal year, as well as during the previous three fiscal years.

- (6) Future revisions to the System

The performance evaluation indicators, calculation method, and other details of this system may be changed as appropriate by resolution of the Board of Directors, following consultation with the Nomination and Remuneration Committee, in response to changes in the business environment or revision of management targets.

Proposal 7: Revision of the Remuneration Limits for the Performance-linked Stock Remuneration System (with a Three-year Target Evaluation Period) for Directors (Excluding External Directors and Directors Who Are Members of the Audit and Supervisory Committee)

1. Details and Reasons for the Proposal

At the 45th Ordinary General Meeting of Shareholders held on June 20, 2024, the Company received approval for its remuneration limit for its performance-linked stock remuneration system with a three-year Target Evaluation Period (hereinafter, “the System”) for the Company’s Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee) (hereinafter, “Eligible Directors”), separate from the basic remuneration limit for the Company’s Directors (excluding Directors who are members of the Audit and Supervisory Committee) and monetary bonus limit for the Eligible Directors. The total amount of the Company’s common shares subject to transfer restrictions (hereinafter, “Restricted Stock (RS)”) to be delivered or monetary remuneration claims to be paid to Eligible Directors for delivery shall be limited to within 800 million yen per year, and the total number of the Company’s common shares to be delivered (hereinafter, “Company shares”) would not exceed 2 million shares per year. This arrangement remains in effect to this day.

As indicated on pages 29 to 32, in conjunction with the review of its remuneration system for Directors (excluding Directors who are members of the Audit and Supervisory Committee), the Company would like to request shareholders’ approval to revise the annual remuneration limit related to this System to up to 1,500 million yen, with a total number of shares that can be granted to Eligible Directors under this System of up to 1.2 million shares.

If Proposals 5 and 6 are approved in addition to this proposal, then the remuneration of Eligible Directors will consist of basic remuneration, monetary bonuses, performance-linked stock remuneration (with a one-year Target Evaluation Period), and performance-linked stock remuneration (with a three-year Target Evaluation Period).

The current number of Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee) is six. If Proposal 2 is approved as proposed at this Ordinary General Meeting of Shareholders, the Company will have six Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee).

2. Reasons for Determining that the Revision of the Remuneration Limits for the System is Appropriate

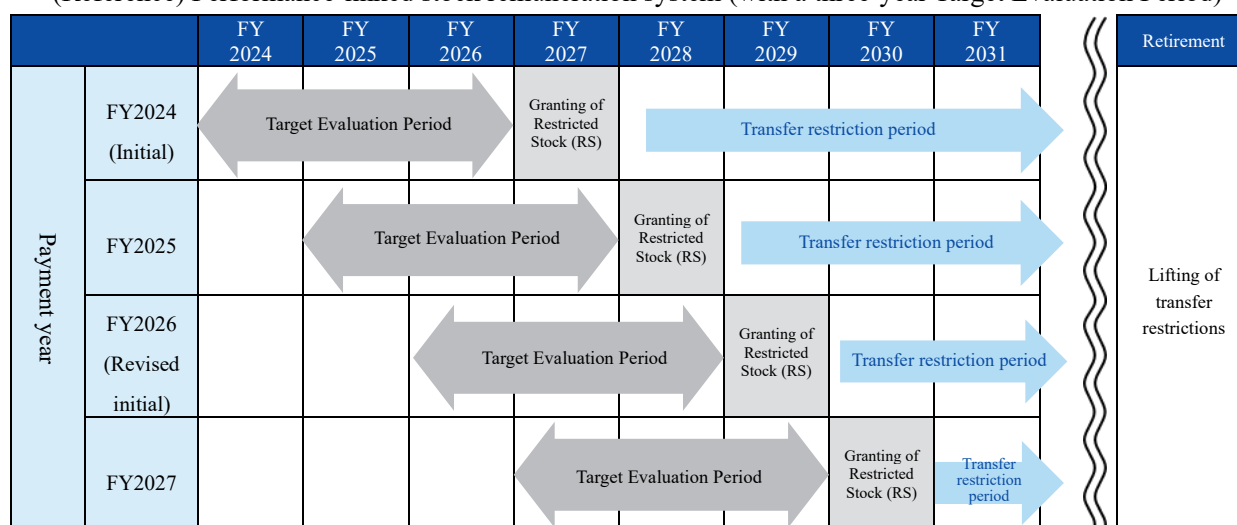
The Board of Directors decided on this proposal after consultation with the Nomination and Remuneration Committee based on the Committee’s deliberations and recommendations. The Company has determined that this proposal is appropriate as it is in line with the content of the revised Determination Guidelines (described on pages 48 to 49).

Moreover, as a result of deliberations, the Company has received an opinion from the Audit and Supervisory Committee that this proposal is appropriate.

3. Overview of the System

The System is a form of stock-based remuneration linked to performance that is granted annually to Eligible Directors, in principle, after the completion of the applicable evaluation period in the form of Company shares in an amount calculated as described below (4) to reflect the degree to which targets have been achieved during the period of three consecutive fiscal years from April 1 of each year to March 31 three years later (hereinafter, the “Target Evaluation Period”) as an additional incentive to sustainably improve the Group’s medium- to long-term performance and corporate value, as well as to promote the greater sharing of values with shareholders. An overview of the System is given in the figure below.

(Reference) Performance-linked stock remuneration system (with a three-year Target Evaluation Period)



(Note) The revised initial year in which the remuneration is granted is fiscal year 2026. The Target Evaluation Period is three fiscal years, starting on April 1, 2026 and ending on March 31, 2029. We plan to continue granting performance-linked stock remuneration beyond FY2027, in accordance with the System and within the scope approved at this Ordinary General Meeting of Shareholders, with each fiscal year designated as a payment year and with the three consecutive fiscal years that follow as a new Target Evaluation Period.

Accordingly, the performance-linked stock remuneration (with a three-year Target Evaluation Period) grants Company shares according to the degree of achievement of growth targets such as performance, etc. At the time of the revision of the System, whether or not the shares will be delivered to each Eligible Director, as well as the amount to be delivered, have not yet been determined.

(1) Contents of restricted stock allocation agreement

The contents will be the same as for the performance-linked stock remuneration system (with a one-year Target Evaluation Period). For details, see Proposal 6 section 3. (1). Note that there are no changes to the content of the System compared to before the revision.

(2) Allocation method of restricted stock

As performance-linked stock remuneration (with a three-year Target Evaluation Period), the Company will issue Restricted Stock (RS) based on performance indicators and the degree of growth in corporate value and shareholder value during the Target Evaluation Period.

The method of granting Restricted Stock (RS) will be the same as for the performance-linked stock

remuneration system (with a one-year Target Evaluation Period). For details, see Proposal 6 section 3. (2). Note that there are no changes to the content of the System compared to before the revision.

(3) Limit to the performance-linked stock remuneration (with a three-year Target Evaluation Period)

The total value of the Restricted Stock (RS) granted to Eligible Directors, or the monetary remuneration claims paid for the purpose of such grants (in the case of the method described in Proposal 6 section 3. (2) (ii) only) shall not exceed 1,500 million yen, annually.

In addition, the total number of Company shares to be granted shall not exceed 1.2 million shares per year, and the ratio of the number of said shares to the total number of issued shares (the total number of issued shares as of the end of April 2026 minus treasury shares, including Company shares held by the “Stock-granting ESOP Trust Account”) is 0.29%. However, if a stock split of Company shares (including the gratis allotment of Company shares) or a reverse stock split occurs on or after the date of this proposal’s approval, or if any other reason arises that necessitates an adjustment to the total number of Company shares to be issued or disposed of, the total amount will be adjusted within a reasonable range.

(4) Calculation method for performance-linked stock remuneration (with a three-year Target Evaluation Period)

The amount of Restricted Stock (RS) to be delivered to each Eligible Director will be calculated according to the following formula. Note that there are no changes to the content of the System compared to before the revision.

[Calculation formula]

$$\boxed{\text{Number of shares of Restricted Stock (RS) to be delivered to each Director}} = \boxed{\text{Standard number of shares (1)}} \times \boxed{\text{Degree of achievement of growth targets such as business performance (2)}}$$

- (1) The “Standard number of shares” is determined the Company’s Board of Directors based on the positions, responsibilities, and other factors of the Eligible Directors.
- (2) The “Degree of achievement of growth targets such as business performance” ranges from 0% to 150%, depending on the degree to which evaluation indicators determined by the Company’s Board of Directors have been achieved during the Target Evaluation Period.

If, during the Target Evaluation Period, an Eligible Director passes away or resigns from his or her position as a director of the Company or other position determined by the Company’s Board of Directors for a reason deemed valid by the Company’s Board of Directors, or if a proposal regarding a merger agreement in which the Company becomes a merged company, a stock exchange agreement in which the Company becomes a wholly-owned subsidiary, a stock transfer plan, or other organizational restructuring is approved by the Company’s General Meeting of Shareholders (however, in cases where the reorganization, etc. does not require approval by the Company’s General Meeting of Shareholders, then by the Company’s Board of Directors), or if some other reason arises that is considered valid by the Company’s Board of

Directors, then the Company may, as necessary, grant a reasonably adjusted number or value of Company shares, or, as an alternative to such a grant, pay a cash amount reasonably calculated by the Company's Board of Directors as equivalent to said shares, etc., at a time deemed reasonable by the Company's Board of Directors.

- (5) Loss of right to receive performance-linked stock remuneration (with a three-year Target Evaluation Period) and clawbacks

The contents will be the same as for the performance-linked stock remuneration system (with a one-year Target Evaluation Period). For details, see Proposal 6 section 3. (5). Note that there are no changes to the content of the System compared to before the revision.

- (6) Future revisions to the System

The performance and other evaluation indicators, calculation method, and other details of this System may be changed by resolution of the Board of Directors, following consultation with the Nomination and Remuneration Committee, in response to changes in the business environment or revision of management targets.

Proposal 8: Introduction of a Restricted Stock Remuneration System for External Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee)

1. Details and Reasons for the Proposal

At the 45th Ordinary General Meeting of Shareholders held on June 20, 2024, the Company received approval for a remuneration system for External Directors (excluding Directors who are members of the Audit and Supervisory Committee, hereinafter “Eligible External Directors”) consisting solely of basic remuneration (monetary remuneration) with a limit not exceeding 100 million yen annually. This arrangement remains in effect to this day.

As indicated on pages 29 to 32, in conjunction with the review of its remuneration system for Directors, this proposal seeks approval to introduce a new restricted stock compensation system (hereinafter, the “System”) separate from the aforementioned basic remuneration limit as a remuneration system for Eligible External Directors.

The total value of common shares of the Company’s stock with transfer restrictions (hereinafter, Restricted Stock (RS)) granted to Eligible External Directors or the monetary remuneration claims paid for the purpose of such grants as part of this System shall not exceed 50 million yen annually, and the total number of common shares of the Company’s stock (hereinafter, “Company shares”) granted shall not exceed a total of 40,000 shares.

If this proposal is approved, the remuneration of Eligible External Directors will consist of their basic remuneration in addition to Restricted Stock (non-performance-linked stock remuneration, which is intended as an incentive to enhance corporate value over the medium to long term.

The current number of External Directors (excluding Directors who are members of the Audit and Supervisory Committee) is five. If Proposal 2 is approved as proposed at this Ordinary General Meeting of Shareholders, the Company will have five External Directors (excluding Directors who are members of the Audit and Supervisory Committee).

2. Reasons for Determining that the Introduction of the System is Appropriate

The Board of Directors decided on this proposal after consultation with the Nomination and Remuneration Committee based on the Committee’s deliberations and recommendations. The Company has determined that this proposal is appropriate as it is in line with the content of the revised Determination Guidelines (described on pages 48 to 49).

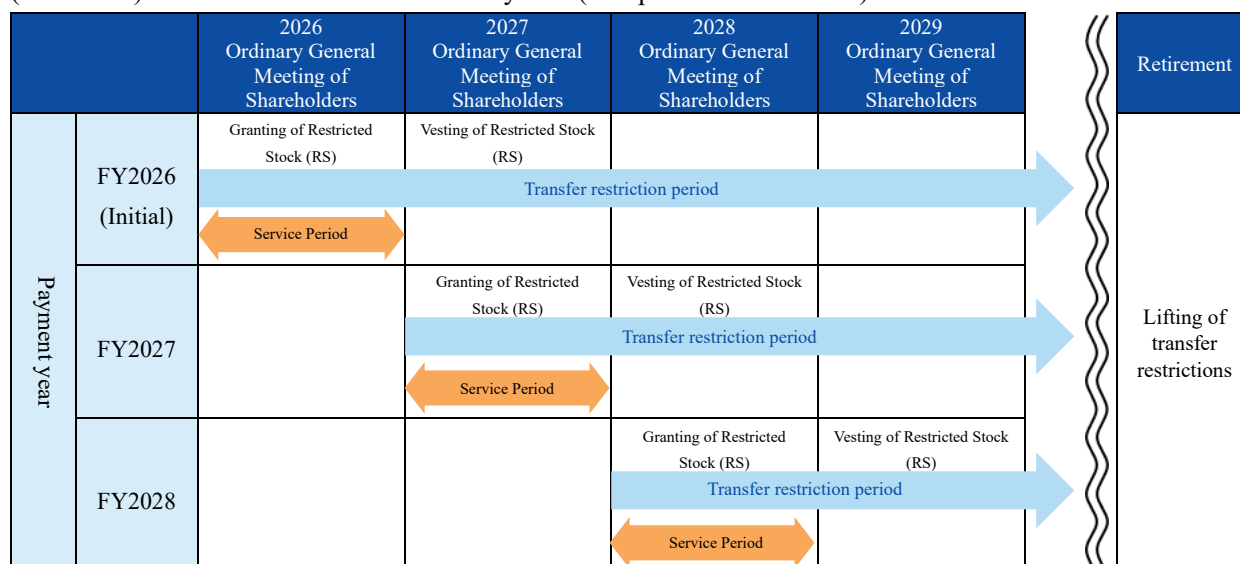
Moreover, as a result of deliberations, the Company has received an opinion from the Audit and Supervisory Committee that this proposal is appropriate.

3. Overview of the System

The system is a form of stock remuneration by which common shares of the Company’s stock with transfer restrictions are awarded annually to Eligible External Directors in consideration of their role of objectively and independently supervising the Company’s management and sharing value with shareholders. The transfer restrictions on this non-performance-linked stock remuneration are lifted upon the Director’s cessation of service under the condition that the recipient has continuously served as a Director of the Company or in some

other position designated by the Company's Board of Directors from the date on which an Ordinary General Meeting of Shareholders is held until the date on which the subsequent Ordinary General Meeting of Shareholders is held (hereinafter, the "Service Period"). An overview of this System is shown in the figure below.

(Reference) Restricted stock remuneration system (non-performance-linked)



(Note) In the first (initial) fiscal year following implementation, the Company will grant Restricted Stock (RS) in accordance with a resolution passed by the Board of Directors following the 2026 Ordinary General Meeting of Shareholders, setting the transfer restriction period to end on the date the recipient ceases to serve as an director of the Company or in any other position specified by the Board of Directors, with the Service Period running until the 2027 Ordinary General Meeting of Shareholders. The Company plans to continue granting restricted stock remuneration after fiscal 2027, within the scope approved at this Ordinary General Meeting of Shareholders.

(1) Allocation method of restricted stock

In accordance with a resolution of the Company's Board of Directors, the Company will grant Restricted Stock (RS) to Eligible External Directors as restricted stock remuneration.

Restricted Stock (RS) will be delivered by method (i) or (ii) below.

(i) The Gratis Allotment Method, by which Company shares (restricted stock) shall be allotted to Eligible External Directors as remuneration for the execution of their duties as Directors, without requiring the payment of money or other consideration in exchange for the offered shares

(ii) The Contribution in Kind Method, by which Company shares (restricted stock) shall be allotted to Eligible External Directors in exchange for their contribution in kind of all monetary remuneration claims paid to them by the Company

The amount of remuneration for Eligible External Directors when using the Gratis Allotment Method and the amount to be paid for the Company shares to be allotted to Eligible External Directors when using the Contribution in Kind Method will be determined by the Company's Board of Directors based on the closing price of ordinary trading of Company shares on the Tokyo Stock Exchange on the business day preceding the

day of the resolution of the Board of Directors regarding the determination of such allocation (if no trading is concluded on said day, the closing price on the most recent trading day preceding it), within a range of monetary values that is not particularly advantageous to the Eligible External Directors.

(2) Limit of restricted stock remuneration

The total value of the Restricted Stock (RS) granted to Eligible Outside Directors and the monetary remuneration claims paid for the purpose of such grants (in the case of the Contribution in Kind Method only) shall have an annual limit of up to 50 million yen combined, separate from the basic remuneration budget (annual limit of up to 100 million yen).

In addition, the total number of Company shares to be granted shall not exceed 40,000 shares per year, and the ratio of the number of said shares to the total number of issued shares (the total number of issued shares as of the end of April 2026 minus treasury shares, including Company shares held by the “Stock-granting ESOP Trust Account”) is 0.01%. However, if a stock split of Company shares (including the gratis allotment of Company shares) or a reverse stock split occurs on or after the date of this proposal’s approval, or if any other reason arises that necessitates an adjustment to the total number of Company shares to be issued or disposed of, the total amount will be adjusted within a reasonable range.

(3) Specific timing and distribution of payments to the Eligible External Directors

Following deliberation and a recommendation by the Nomination and Remuneration Committee, the Board of Directors will determine the specific timing and allocation of payments to each Eligible External Director.

(4) In the case of Eligible External Directors who are non-residents of Japan

If, at the time of the Board of Directors meeting at which the amount of monetary remuneration and the number of shares to be allocated under this System are determined, any of the Eligible External Directors are non-residents of Japan, the Company may either allocate Restricted Stock (RS) as provided under this System or, alternatively, grant monetary remuneration (including stock-linked monetary remuneration [i.e., phantom stock]) to such Eligible External Directors within the limits of the monetary remuneration framework.

(5) Contents of the restricted stock allocation agreement

Regarding the issuance or disposition of Company shares under the System, the Company will enter into a restricted stock allocation agreement (hereinafter, the “Allocation Agreement”) with the Eligible External Directors. The Allocation Agreement will contain the following items.

- a) Eligible External Directors may not transfer, create security interests in, or otherwise dispose of the Company shares allocated under the Allocation Agreement (hereinafter, the “Allocated Shares”) during the period (hereinafter, the “Transfer Restriction Period”) from the date of issuance of the Allocated Shares until the date on which the Eligible External Directors concerned lose their position as Directors of the Company or other positions determined by the Board of Directors of the Company (hereinafter, the “Transfer Restrictions”).

- b) (i) In the event that the Company's Board of Directors determines that it is appropriate for the Company to acquire the Allocated Shares free of charge due to a violation of laws and regulations, internal rules, or the Allocation Agreement by an Eligible External Director, or (ii) if an Eligible External Director loses his or her position as a Director of the Company or other position determined by the Board of Directors of the Company on a date before the expiration of the period separately determined by the Company's Board of Directors (hereinafter referred to as the "Service Period") (except where the Company's Board of Directors deems there to be justifiable grounds), the Company shall acquire the Allocated Shares free of charge.
- c) The Company will lift the Transfer Restrictions on all of the Allocated Shares upon the expiration of the Transfer Restriction Period, provided that the Eligible External Director in question has continuously held at least one of the positions specified in (ii) above throughout the Service Period. However, if an Eligible External Director loses any of the positions specified in (ii) above prior to the expiration of the Service Period for reasons deemed valid by the Company's Board of Directors as set forth in (ii) above, the number of Allocated Shares to be released from Transfer Restrictions and the timing of such release shall be reasonably adjusted as necessary.
- d) At the time of the expiration of the Transfer Restriction Period and in accordance with the provisions of (3) above, the Company will acquire the Allocated Shares on which the Transfer Restrictions have not yet been lifted without consideration and as a matter of course.
- e) During the Transfer Restriction Period, if a proposal regarding a merger agreement in which the Company becomes a merged company, a stock exchange agreement in which the Company becomes a wholly-owned subsidiary, a stock transfer plan, or other organizational restructuring is approved by the Company's General Meeting of Shareholders (however, in cases where the reorganization, etc. does not require approval by the Company's General Meeting of Shareholders, then by the Company's Board of Directors), or for some other reason deemed justifiable by the Company's Board of Directors, then at a reasonable time as designated by the Company's Board of Directors, Transfer Restrictions on a reasonably adjusted number of Allocated Shares will be lifted, as necessary, prior to the effective date of the reorganization or similar transaction.
- f) In the cases described in e) above, the Company shall, as a matter of course and without consideration, acquire any Allocated Shares for which the Transfer Restrictions have not yet been lifted as of the time immediately following the lifting of the Transfer Restrictions pursuant to the provisions of e) above.
- g) The terms of this Allocation Agreement shall include the methods for expressing intent and providing notice under this Allocation Agreement, the procedures for amending this Allocation Agreement, and any other matters determined by the Board of Directors.

(6) Loss of right to receive the restricted stock remuneration and clawbacks

Eligible External Directors will lose the right to receive the restricted stock remuneration if they engage in specific misconduct as specified by the Company's Board of Directors, or resign from office due to specific reasons specified by the Company's Board of Directors.

In addition, as determined by the Company's Board of Directors based on the results of deliberation and recommendations by the Nomination and Remuneration Committee, in the event that financial statements are adjusted due to Eligible External Directors' involvement in serious misconduct, fraud, or a serious accounting error, the Eligible External Directors concerned will be required to return all or part of the restricted stock remuneration received during the relevant fiscal year, as well as during the previous three fiscal years.

(7) Future revisions to the System

The content of this System may be changed as appropriate by resolution of the Board of Directors, following consultation with the Nomination and Remuneration Committee, in response to changes in the business environment, etc.

(Reference (1))

The Guidelines for Determining the Remuneration, etc. of Individual Directors

(If Proposals 5 to 8 are all approved as proposed)

The Company has established Guidelines for Determining the Remuneration, etc. of Individual Directors. However, if Proposals 5 to 8 are approved at this Ordinary General Meeting of Shareholders, the contents will be amended as follows.

Matters related to the Guidelines for Determining the Remuneration, etc. of Individual Directors

1. The method for determining the Guidelines for Determining the Remuneration, etc. of Individual Directors

The Company's Guidelines for Determining the Remuneration, etc. of Individual Directors (hereinafter, the "Determination Guidelines") has been established as described below, following the Board of Directors' consultation with the Nomination and Remuneration Committee, which is chaired by an External Director (with External Directors comprising the majority of its members), and based on the Committee's deliberations and recommendations.

2. Overview of the content of the Determination Guidelines

(1) The Guidelines for determining the remuneration limits, etc. for Directors (excluding Directors who are members of the Audit and Supervisory Committee)

To ensure objectivity and transparency regarding the remuneration of Directors (excluding Directors who are members of the Audit and Supervisory Committee), the Board of Directors consults with the Nomination and Remuneration Committee regarding remuneration within the limits approved by the General Meeting of Shareholders. The Committee then deliberates and provides its recommendations based on the following policy, after which the Board of Directors makes its decision.

- a. The remuneration, etc., for Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee) shall consist of basic (fixed) remuneration aimed at encouraging the diligent performance of duties commensurate with their position and responsibilities, supplemented by performance-linked (variable) remuneration, thereby establishing a remuneration system and composition that emphasizes the enhancement of corporate value and shareholder value over the medium to long term. Performance-linked (variable) remuneration consists of monetary bonuses and stock remuneration with a one-year Target Evaluation Period as short-term incentives, as well as stock remuneration with a three-year Target Evaluation Period as a medium- to long-term incentive.
- b. In consideration of External Directors' role of objectively and independently supervising the Company's management, remuneration, etc. for External Directors (excluding Directors who are members of the Audit & Supervisory Committee) is not linked to performance, and is instead composed of basic (fixed) remuneration, together with non-performance-linked stock remuneration (variable remuneration) as an incentive to improve medium- to long-term corporate value from the

perspective of sharing value with shareholders.

(2) The Policy for determining the remuneration, etc. for Directors who are members of the Audit and Supervisory Committee

In order to ensure the independence of Directors who are members of the Audit and Supervisory Committee, their individual remuneration, etc., shall consist solely of basic (fixed) remuneration unconnected to performance, with the amount decided by discussion among all of the Directors who are members of the Audit and Supervisory Committee within the scope of the limits to the remuneration as decided by the General Meeting of Shareholders, taking into consideration whether said directors occupy full-time or part-time roles.

(Reference (2))

The Calculation Method for the Individual Performance-linked Remuneration for Directors (Excluding External Directors and Directors who are Members of the Audit and Supervisory Committee) (After Adopting the Revised Remuneration Systems)

1. Monetary bonus

- Method of calculating monetary bonuses

The monetary bonus amounts for individual Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee) (hereinafter, “Eligible Directors”) are distributed by calculating the total monetary bonus amount using the formula below, with one fiscal year from April 1 of each year to March 31 of the following year as the evaluation period, and then allocating it according to ratios predetermined by the Company’s Board of Directors for each fiscal year, based on the positions, responsibilities, and other factors of the Eligible Directors.

[Calculation formula]

$$\begin{array}{|c|} \hline \text{Total monetary} \\ \text{bonus amount} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Total monetary} \\ \text{remuneration for} \\ \text{the previous fiscal} \\ \text{year} \\ \hline \end{array} \times \left(1 + \begin{array}{|c|} \hline \text{Rate of change in consolidated} \\ \text{operating profit for the Evaluation} \\ \text{Period compared to the previous} \\ \text{fiscal year} \\ \hline \end{array} \right) \times \begin{array}{|c|} \hline \text{Total basic} \\ \text{remuneration} \\ \text{compared to the} \\ \text{previous fiscal} \\ \text{year} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Total amount of} \\ \text{basic} \\ \text{remuneration for} \\ \text{the Evaluation} \\ \text{Period} \\ \hline \end{array}$$

(Note) The Company includes 300,000 yen in the basic remuneration paid to each Eligible Director to cover the costs of health examinations. However, this cost will not be included in the “Total basic remuneration amount” or “Total monetary remuneration amount” in the [Calculation formula] above.

2. Performance-linked stock remuneration

- Method of calculating the performance-linked stock remuneration

The number of the Company’s common shares with transfer restrictions (hereinafter, “Restricted Stocks (RS)”) granted to each Eligible Director as performance-linked stock remuneration is calculated according to the following formula.

[Performance-linked stock remuneration with a one-year Target Evaluation Period]

The formula for calculating performance-linked stock remuneration with a Target Evaluation Period of one fiscal year running from April 1 of each year to March 31 of the following year (hereinafter, “Target Evaluation Period (1 year)”) is given below.

- Calculation method for the amount of Restricted Stock (RS) to grant

[Calculation formula]

$$\begin{array}{|c|} \hline \text{Number of shares of Restricted Stock (RS) to} \\ \text{be delivered to each Director} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Standard number} \\ \text{of shares (1)} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Coefficient based on the year-on-year} \\ \text{change in consolidated operating profit} \\ \text{(2)} \\ \hline \end{array}$$

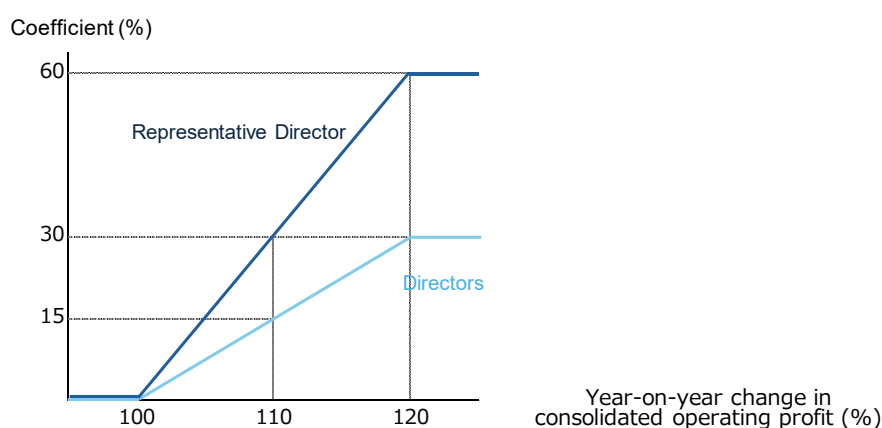
(1) The “Standard number of shares” is the number calculated according to the formula below.

[Calculation formula]

$$\boxed{\text{Standard number of shares (1)}} = \boxed{\text{Total monetary bonus amount (a)}} \times \boxed{\text{Coefficient based on the positions, responsibilities, etc. of the Eligible Directors (b)}} \div \boxed{\text{Base stock price (c)}}$$

- (a) The “Total monetary bonus amount” is calculated as indicated in “1. Monetary bonus” above.
- (b) The “Coefficient based on the positions, responsibilities, etc. of the Eligible Directors” is determined by the Company’s Board of Directors based on the position, job responsibilities, etc., of the Eligible Directors.
- (c) The “Base stock price” shall be the closing price of the Company’s common shares (hereinafter, “Company shares”) in regular trading on the Tokyo Stock Exchange on the business day preceding the resolution of the Company’s Board of Directors regarding the determination of the allocation in question.

- (2) The “Coefficient based on the year-on-year change in consolidated operating profit” is calculated as follows and reflects the growth rate of the consolidated operating profit during the Target Evaluation Period (1 year).



[Performance-linked stock remuneration with a three-year Target Evaluation Period]

The formula for calculating performance-linked stock remuneration with a Target Evaluation Period of three consecutive fiscal years running from April 1 of each year to March 31 three years later (hereinafter, “Target Evaluation Period (3 years)”) is given below.

- Calculation method for the amount of Restricted Stock (RS) to grant

[Calculation formula]

$$\boxed{\text{Number of shares of Restricted Stock (RS) to be delivered to each Eligible Director}} = \boxed{\text{Standard number of shares (1)}} \times \boxed{\text{Coefficient based on the year-on-year change in consolidated operating profit (2)}}$$

- (1) The “Standard number of shares” is the number calculated according to the formula below.

$$\boxed{\text{Standard number of shares (1)}} = \boxed{\text{Total monetary bonus amount (a)}} \times \boxed{\text{Coefficient based on the positions, responsibilities, etc. of the Eligible Directors (b)}} \div \boxed{\text{Base stock price (c)}}$$

- (a) The “Standard amount” shall be 50% of the total basic remuneration amount of Eligible Directors in the first fiscal year of the Target Evaluation Period (3 years).
- (Note) The Company includes 300,000 yen paid by the Company for each Eligible External Director to

cover the costs of health examinations in the basic remuneration. However, this cost shall not be included in the “total basic remuneration amount”.

- (b) The “Coefficient based on the positions, responsibilities, etc. of the Eligible Directors” is determined by the Company’s Board of Directors based on the position, job responsibilities, etc., of the Eligible Directors.
- (c) “Base stock price” is the average closing price of Company shares on the Tokyo Stock Exchange for the month preceding the start of the Target Evaluation Period.

- (2) “Degree of achievement of growth targets such as business performance” is an evaluation coefficient that varies from 0% to 150%, and is calculated according to a) the degree of achievement of the growth target for profit attributable to owners of parent and b) the growth rate of Company shares calculated by making a relative comparison of the Company’s TSR with the Tokyo Stock Price Index (TOPIX)’s TSR during the Target Evaluation Period (3 years).

$$\text{Evaluation coefficient} = \left(\begin{array}{c} \text{(i) Profit} \\ \text{attributable to} \\ \text{owners of parent} \\ \text{evaluation} \end{array} \right) \times \text{Weight } 50\% + \left(\begin{array}{c} \text{(ii) TSR evaluation} \\ \text{coefficient} \end{array} \right) \times \text{Weight } 50\%$$

Evaluation indicator	Evaluation ratio (weight)	Evaluation coefficient fluctuation range	Evaluation method
(i) Profit attributable to owners of parent	50%	0% - 150%	Compare to the cumulative amount if 10% growth is achieved each fiscal year during the Target Evaluation Period (3 years), and if the degree of achievement is 41% or more, the evaluation coefficient will be in the range of 50% to 150%.
(ii) TSR (TOPIX comparison)	50%	0% - 150%	Compare the Company’s TSR during the Target Evaluation Period (3 years) with the TOPIX growth rate for the same period, and if the growth rate is 50% or more, the evaluation coefficient will be in the range of 50% to 150%.
Total	100%	0% - 150%	—

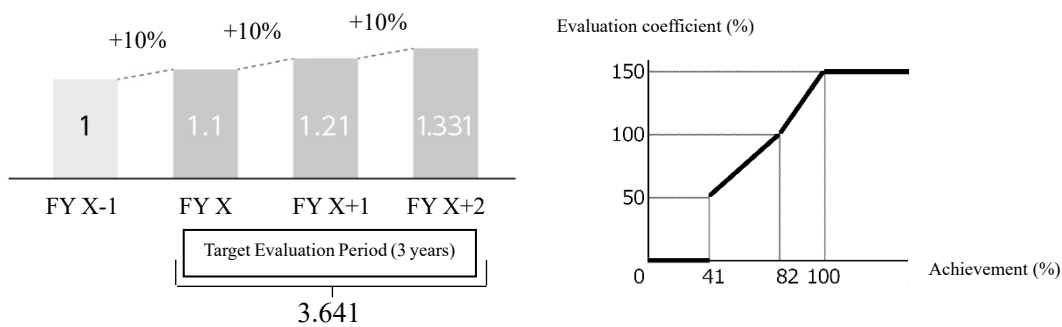
(a) Profit attributable to owners of parent

The evaluation coefficient for profit attributable to owners of parent is calculated according to the formula below, and the resulting value is used as the evaluation coefficient. If the value calculated is below 41%, then the evaluation coefficient is zero.

[Calculation formula]

$$\text{Degree of achievement (\%)} = \frac{\text{Cumulative total of the profit attributable to owners of parent in the Target Evaluation Period (3 years)}}{\text{Profit attributable to owners of parent for the fiscal year preceding the Target Evaluation Period (3 years)} \times 3.641}$$

Profit attributable to owners of parent growth targets



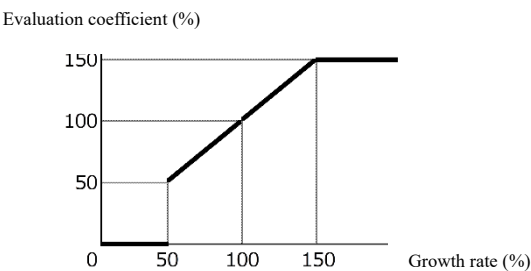
(b) TSR (TOPIX comparison)

The TSR evaluation coefficient is calculated according to the formula below, and the resulting value is used as the evaluation coefficient. If the value calculated is below 50%, then the evaluation coefficient is zero.

[Calculation formula]

$$\text{Growth rate (\%)} = \frac{\text{The Company's TSR during the Target Evaluation Period (3 years)}}{\text{TOPIX growth rate during the Target Evaluation Period (3 years)}} \times \frac{(b + c) \div a}{e \div d}$$

- a: The simple average of the closing prices of Company shares on the Tokyo Stock Exchange for the month preceding the start of the Target Evaluation Period (3 years)
- b: The simple average of the closing prices of Company shares on the Tokyo Stock Exchange in the final month of the Target Evaluation Period (3 years).
- c: The cumulative per-share dividend amount for retained earnings during the Target Evaluation Period (3 years)
- d: The TOPIX simple average in the month preceding the start of the Target Evaluation Period (3 years)
- e: The TOPIX simple average in the final month of the Target Evaluation Period (3 years)



(Reference (3)) Remuneration, etc. for Eligible Directors and Eligible External Directors for the Fiscal Year Ending March 31, 2026

Category	Total amount of remuneration, etc. (million yen)	Total amount by type of remuneration, etc. (million yen)			No. of applicable executives (No. people)
		Basic remuneration	Monetary bonus	Performance-linked stock remuneration	
Directors (excluding External Directors and Directors who are members of the Audit and Supervisory Committee) [Eligible Directors]	1,682	672	598	410	8
External Directors (excluding Directors who are members of the Audit and Supervisory Committee) [Eligible External Directors]	61	61	—	—	6

(Notes) 1. The number of applicable executives includes two Eligible Directors and one Eligible External Director who retired from their positions due to their terms of office ending at the 46th Ordinary General Meeting of Shareholders held on June 20, 2025.

2. The monetary bonus is the amount the Company plans to pay.

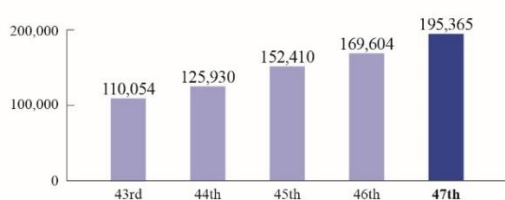
3. Performance-linked stock remuneration is the sum total of the amounts recorded as expenses during the fiscal year under review for the performance-linked stock remuneration system with a three-year Target Evaluation Period and the amount paid under the same system to the two Eligible Directors who retired during the fiscal year under review (however, the payment amount excludes any amounts previously recognized as expenses through provisions in previous years).

[Reference] Financial Highlights

- Trends in key financial indicators (consolidated)

Category \ Term	43rd fiscal year (FY ended March 31, 2022)	44th fiscal year (FY ended March 31, 2023)	45th fiscal year (FY ended March 31, 2024)	46th fiscal year (FY ended March 31, 2025)	47th fiscal year (Current fiscal year) (FY ended March 31, 2026)
Net sales (million yen)	110,054	125,930	152,410	169,604	195,365
Operating profit (million yen)	42,909	50,812	57,081	65,777	75,295
OP margin (%)	39.0	40.3	37.5	38.8	38.5
Profit attributable to owners of parent (million yen)	32,553	36,737	43,374	48,453	54,587
Basic earnings per share (yen)	76.24	87.36	103.71	115.85	130.50
ROE [Return on Equity] (%)	24.4	23.9	24.4	23.0	22.1
DOE [Dividend on Equity] (%)	7.3	8.7	8.2	7.9	7.6

■ Net sales (million yen)



■ Operating profit (million yen) / Operating margin (%)



■ Profit attributable to owners of parent (million yen)



■ Basic earnings per share (yen)



Business Report (from April 1, 2025 to March 31, 2026)

1. Operating Results Overview

(1) Operating Results for the Fiscal Year under Review

In the fiscal year ended March 31, 2026, Capcom Co., Ltd. (the “Company”) actively pursued investments for growth focused on the ongoing enhancement of digital sales in order to further advance and expand within the global market. In addition, as part of its human resources investment strategy, which is one of the Company’s top priorities, it continued to invest in human capital with the aim of stable and sustainable growth by securing and fostering human resources to support the future, and worked to enhance corporate value over the medium to long term.

Regarding business performance, the Company worked to increase global unit sales in its core Digital Contents business by launching *Resident Evil Requiem*, a major new title in the Company’s flagship series, as well as strengthening sales of catalog titles and the release of existing titles on new hardware. As a result, during the fiscal year ended March 31, 2026, the Digital Contents business contributed to earnings with sales of 253 titles in 244 countries and regions and total unit sales of 59.07 million units, up from 51.87 million units sold in the previous fiscal year.

The Company also aimed to enhance the brand value of its intellectual properties (IPs) by coordinating the activities of its major content with esports, film and television productions, and licensing businesses activities. To increase earnings, the Company continued to pursue sound store operations while opening locations in new formats and overseas in Arcade Operations, while in Amusement Equipments it continued to release smart pachislo machines and utilize its popular IPs.

On top of its business activities, particularly in 2025, the Company also worked to contribute to local, cultural and technological promotion by sponsoring and participating in the Osaka Healthcare Pavilion, which was held by Osaka Prefectural and City governments at Expo 2025, Osaka, Kansai, Japan.

As a result, net sales for the fiscal year under review were 195,365 million yen (up 15.2% year on year), operating profit was 75,295 million yen (up 14.5% year on year), ordinary profit was 74,134 million yen (up 12.9% year on year), and profit attributable to owners of parent was 54,587 million yen (up 12.7% year on year). This was the Company’s thirteenth consecutive year of achieving an increase in operating profit.

Status of business by operating segment

① Digital Contents business

In the Digital Contents business, the Company released the latest title in the *Resident Evil* series, *Resident Evil Requiem* (for PlayStation 5, Xbox Series X|S, Nintendo Switch 2 and PC), in February 2026. As a result of its cutting-edge graphics and immersive gameplay, the title garnered significant acclaim from fans around the world and sold over 6 million units. This helped to drive sales growth for catalog titles in the same series, led by *Resident Evil 4* and *Resident Evil Village*. Additionally, *Monster Hunter Stories 3: Twisted Reflection* (for Nintendo Switch 2, PlayStation 5, Xbox Series X|S and PC), an RPG spinoff of the *Monster Hunter* series, was released in March 2026, and also contributed to earnings. Moreover, the Company accelerated expansion of its user base by actively pursuing its multi-platform strategy, which included porting its catalog titles to the Nintendo Switch 2.

Regarding catalog titles, cumulative global sales of *Street Fighter 6* surpassed 6 million units following its rollout to new hardware as well as ongoing efforts to bolster coordination between the Company’s games and its esports activities in pursuit of wider brand recognition and an expanded user base. Additionally, sales of *Devil May Cry 5* and past titles in the same series contributed to earnings via the Company coordinating pricing strategies with the animated adaptation of the series and efforts to enhance brand value through building wider awareness of the Company’s IPs. Furthermore, unit sales of *Monster Hunter Rise* and *Monster Hunter Rise: Sunbreak* continued to increase alongside cumulative unit sales of *Monster Hunter Wilds*, the latest title in the *Monster Hunter* series (released February 2025), which surpassed 11 million units. As a result, unit sales of catalog titles reached 49.46 million units, exceeding the 39.49 million units recorded in the previous fiscal year.

In Mobile Contents, *Resident Evil Survival Unit* (for iOS and Android), the latest mobile game in the *Resident*

Evil series, was released globally in November. The game has contributed to increased recognition of the IP with cumulative downloads surpassing 5 million.

As a result, the segment earned net sales of 144,277 million yen (up 15.3% year on year) and operating profit of 70,618 million yen (up 8.4% year on year).

② Arcade Operations business

In Arcade Operations, amidst changing consumer habits, disciplined operations of existing stores alongside store openings in new formats contributed to earnings expansion. Moreover, the Company opened a new store overseas, and held live events and other activities to maximize the appeal of its physical locations and create synergies with its other businesses.

During this fiscal year under review, the Company focused its efforts on opening stores in new formats, such as Capcom Connect Space (Osaka Prefecture) in July, an experiential facility that includes Dive! Capcom, where visitors can get immersed in the Company's latest developments, and CAPCOMIX Abeno Hoop store (Osaka Prefecture) in March 2026, which features Capcom character-themed attractions.

Along with Capcom Store Sendai (Miyagi Prefecture) in April, a retail store that sells merchandise featuring the Company's popular characters, and Capcom Store Ikebukuro (Tokyo) in February, the Company opened Capcom Store Taipei (Taiwan) in March as its first directly operated store outside Japan. In addition to these, the Company opened locations specializing in character merchandise as well as capsule toy stores, resulting in a total of 9 openings, while closing 1 store, bringing the total number of stores to 61. The Company also revamped an existing location into a crane game specialty store as part of its efforts to expand into new formats.

As a result, the segment earned net sales of 25,656 million yen (up 12.8% year on year) and operating profit of 3,201 million yen (up 31.6% year on year).

③ Amusement Equipments business

Regarding the Amusement Equipments business, the pachislo market has been characterized by stable demand due to the ongoing spread of smart pachislo machines. The Company released two new smart pachislo models, *Devil May Cry 5 Stylish Tribe* (June 2025), which sold 11 thousand units, and *Shin Onimusha 3* (October 2025), which sold 24.5 thousand units, contributing to earnings.

Furthermore, *Monster Hunter Rise*, released in November 2024, and *Resident Evil 5*, released in March 2025, both enjoyed long-term operation in halls due to a positive reception from players, leading to favorable repeat sales as well.

As a result, the segment earned net sales of 17,780 million yen (up 13.9% year on year) and operating profit of 10,033 million yen (up 49.7% year on year).

④ Other Businesses

The Company utilized its popular title *Street Fighter 6* in its eSports business activities, initiating competitions worldwide with the Capcom Pro Tour 2025 international tournament series that began in May. In addition, it held competitions in the team-based Street Fighter League: Pro-JP 2025 in Japan that began in August, and in similar team-based leagues in the United States and Europe that began in November, as part of its measures to expand the global fan base. Further, in March the Company held the Capcom Cup 12 and Street Fighter League: World Championship 2025 tournaments at Japan's famous National Sumo Arena, Ryogoku Kokugikan, attracting a record high of over 20,000 visitors. Through such measures, the Company has aimed to further promote esports on a global scale.

In the Media business, a new *Devil May Cry* animated series was released worldwide on Netflix in April 2025. The Company also strove to expand recognition of its major IPs through film adaptations, including the announcement of the October 2026 release of a live-action Hollywood film adaptation of the *Street Fighter* series, jointly financed with Legendary Entertainment.

In the Character License business, the Company focused on merchandise for its popular titles and on various

event initiatives. Furthermore, the Company has taken measures to enhance the value of its corporate brand, including with the exhibition Capcom Creation - Moving Hearts Across the Globe, which showcases the Company's game development process and has received critical acclaim, starting with its initial Osaka installation and continuing with exhibits in multiple locations throughout Japan.

As a result, the segment earned net sales of 7,650 million yen (up 25.2% year on year) and operating profit of 3,645 million yen (up 46.7% year on year).

(2) Status of capital investments

During the fiscal year ended March 31, 2026, capital investments totaled 17,713 million yen. This was primarily due to expenditures, including equipment for amusement facilities, land acquisition for business operations, and investments aimed at streamlining office tasks.

(3) Status of funding

During the fiscal year ended March 31, 2026, the Company did not raise funds through a capital increase or a bond issuance.

(4) Issues to be addressed

Regarding the outlook going forward, while the market for the Company's core Digital Contents business is expected to grow steadily, driven by an increase in game content and the expansion of the global gaming user base, the business environment is undergoing significant changes: the increasing number of distribution channels for content, diversification of devices, and the progress of technological innovation, including the widespread adoption of generative AI.

In such an environment, the Company will continue to strive to reach its medium-term management goal of achieving 10% annual growth in operating profit and realize its medium- to long-term vision of being a company that captivates people around the world with its best-in-class immersive content. It will seek to further expand the global reach of its content by enhancing its brand and attracting new users.

In order to achieve the long-term milestone of 100 million units in annual sales in its core Digital Contents business, the Company will strengthen long-term pricing measures and global sales, working to enhance its sales network that extends into over 240 countries and regions while improving localized marketing and its understanding of user needs.

Moreover, the Company will strive to develop the Arcade Operations and Amusement Equipments businesses by using popular IPs and major content, as well as uncover latent users and maximize profit-earning opportunities by raising awareness of IPs through investment in and leveraging of film and television productions, licensed merchandise, and esports.

In addition to the above strategies, the Company will continue its efforts to achieve its management goals by promoting its human resources investment strategy, which will be the driving force for the Company's sustainable growth. It will strengthen investments in the research and development of cutting-edge technologies, such as its proprietary development engine, and the enhancement of its development environment, with the aim of adapting to new technologies and growing its product pipeline through the creation of new IPs and utilization of major existing IPs.

Through various activities, the Company will continue to work toward realizing its management philosophy of being a creator of entertainment culture that stimulates the senses and excites people through game entertainment.

① Strategies by operating segment for the fiscal year ending March 2027

Based on the strategy laid out above, the Company will focus on the following areas in the next fiscal year:

A. Digital Contents business

In the Digital Contents business, the Company released a new science-fiction action-adventure game *PRAGMATA* (for PlayStation 5, Xbox Series X|S, PC and Nintendo Switch 2) as an all-new IP this April, and will also launch *Onimusha: Way of the Sword* (for PlayStation 5, Xbox Series X|S and PC), the latest installment in the *Onimusha* series. Additionally, the Company will strive to maximize profits and continuously increase its

total unit sales volume by strengthening digital sales and promoting sales measures for catalog titles such as *Resident Evil Requiem*, which was released in the fiscal year under review, and *Monster Hunter Wilds*, which was released in the fiscal year prior to that. Furthermore, regarding *Street Fighter 6*, the Company will continue to pursue brand enhancement and user growth, including with a Hollywood movie adaptation of *Street Fighter*, and ongoing efforts in esports.

B. Arcade Operations business

In the Arcade Operations business, the Company will continue to expand into new store formats while pursuing steady openings and operation of stores both in Japan and overseas. Moreover, the Company will work to maximize the appeal of its stores and create synergies with other businesses by holding live events and other activities.

The Company plans to open 9 new stores in the fiscal year ending March 31, 2027.

C. Amusement Equipments business

In the Amusement Equipments business, the Company will steadily release new smart pachislo models, which are expected to continue driving the pachislo market, leveraging its popular IPs.

In the fiscal year ending March 31, 2027, the Company plans to sell 53 thousand units with the launch of 4 new models, including *Biohazard RE:3* in May 2026.

D. Other Businesses

Regarding Other Businesses, in its eSports business, which leverages *Street Fighter 6*, the Company has announced it will hold the finals for the major tournaments Capcom Cup 13 and Street Fighter League: World Championship 2026 once again at the Ryogoku Kokugikan Arena in the 2026 season. Furthermore, to foster the next generation of players and further promote the competitive scene, the Company will continue to diversify its player base and drive wider awareness of *Street Fighter 6*, while redoubling its commitment to industry development and growth of the global market.

In addition, the Company will pursue strategies that maximize its Single Content Multiple Usage strategy on a global scale in order to expand penetration of the Company's IPs worldwide via activities such as promoting movie and television adaptations of its content and cross-industry collaborations. As part of this approach, in the Media business, the Company plans to release a live-action *Street Fighter* movie in October 2026.

Through the above, the Company will continue its efforts to maximize corporate brand value while expanding the branding of its content.

② Sustainability activities

Based on its management philosophy, the Company is working to achieve stable growth and enhance corporate value over the medium to long term through its business activities, while also proactively addressing common environmental and social issues in order to create a world in which everyone can enjoy games with peace of mind.

Through these initiatives, the Company aims to create a better future by building trust with all stakeholders, including customers, business partners, and employees, among others.

A. Human resources investment strategy

The Company has positioned initiatives regarding human capital, which is the source of corporate value creation, as one of its priority issues and has therefore established a Chief Human Resources Officer (CHO) to promote its human resources investment strategy.

The Company will continue to enhance its corporate value by implementing the following initiatives:

a. Securing and developing human resources to support the future

In order to enhance its development system—the source of its core competitiveness—and achieve sustainable growth toward its management goals, the Company recognizes the importance of bolstering its development workforce and enhancing productivity through investment in human capital.

As such, in addition to continuing efforts to increase its workforce by more than 100 developers every fiscal year, the Company implemented various measures to enhance its ability to recruit top talent and retain employees, such as continuously increasing the average annual base salary of full-time employees (up 38.2% compared to the fiscal year ended March 2022), operating a more performance-linked bonus system and stock-based compensation system for employees, and raising the starting monthly salary for new graduates.

In addition, the Company held the Capcom Games Competition, a game development competition for students utilizing its proprietary RE ENGINE as part of its industrial-academic collaboration efforts, thereby creating opportunities to attract top talent by discovering and nurturing the next generation of game developers.

Furthermore, the Company has established the development personnel policy, CAPCOM-SHIP, to further instill the values and standards it strives for in its development. This policy is being leveraged in personnel development, organizational management, and team building.

As a result, the Company has secured 3,976 consolidated employees, of whom 3,011 were in development, as of March 31, 2026. Going forward, the Company will strive to secure and develop the human resources that will underpin its future.

b. Organizing and improving the working environment

In order to expand its development environment and facilities to accommodate the increasing scale of development and sophistication of technology, the Company is expanding its workforce and making growth investments, such as acquiring real estate as business assets. In addition, it is focusing on cultivating a corporate culture of respect for human rights and creating a comfortable working environment while raising the awareness of executives and employees through training and continuously leveraging opportunities for direct dialogue between management and employees. The Company will continue to focus on creating a better working environment to prevent employee turnover and increase engagement. Furthermore, the Company is promoting measures to maintain the well-being of employees, such as introducing multilingual counseling services and formulating guidelines to respond to abusive behavior from customers.

c. Ensuring human resource diversity

In order for the Company to further expand its development organization in the future, it is necessary to create an environment in which human resources with diverse backgrounds can maximize their abilities. The Company, therefore, is making efforts to secure and develop diverse human resources through recruitment and evaluation, regardless of gender, nationality, age, and other attributes.

The Company aims to achieve the percentage of male employees taking childcare leave to at least 85%, as well as raising the gender wage gap to at least 88% by the end of March 2029, in addition to introducing a partnership system with more inclusive definitions of spouses and conducting nursing care seminars.

As of March 31, 2026, the Company employs foreign nationals hailing from a total of 37 different countries and regions. It has therefore strived to enhance its support measures for foreign national employees, such as Japanese language learning and a special leave system for them to visit their home countries. The Company will continue to promote various initiatives and establish programs to create an environment where employees from various backgrounds can flourish.

(Reference)

	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
No. of employees (consolidated)	3,206	3,332	3,531	3,766	3,976
Of which, development personnel	2,369	2,460	2,675	2,846	3,011
Average annual salary (non-consolidated) (thousand yen)	7,127	7,660	8,328	9,185	9,852
Operating profit per employee (consolidated) (thousand yen)	13,384	15,249	16,165	17,466	18,937
Turnover rate (non-consolidated) (%)	5.4	3.5	2.9	2.8	2.6
Paternity leave utilization rate (non- consolidated) (%)	34.5	45.5	66.7	79.7	79.7
Gender wage gap (non-consolidated) (%)	82.9	85.4	83.8	82.8	81.3

(Note) All of the above figures are based on full-time employees only. The paternity leave utilization rate is calculated for all employees, including temporary employees.

B. Intellectual property

The Company believes that it is essential to invest in the continuous creation of intellectual property, and to expand and deepen its global brand recognition to develop its business and achieve sustainable growth. Therefore, as it is crucial to maintain and improve its core strengths, consisting of its proprietary advanced technologies and development capabilities, the Company continues to aggressively pursue growth investments aimed at building its development environment. This includes research and development into cutting-edge technologies such as its proprietary game engine, other development investments, and the use of generative AI to enhance the efficiency and productivity of the game development processes. Through these efforts, the company is working to further expand and deepen the penetration of its content and corporate brand worldwide by consistently releasing content to the market and increasing catalog sales, thereby enhancing its brand value.

Furthermore, the Company is working to enhance its corporate value by promoting continuous utilization, proper management and protection of its wealth of intellectual property.

C. Initiatives for reinforcement of information security

The Company sells its content in more than 240 countries and regions globally and recognizes that information has a significant impact on its corporate activities. To further accelerate the global sales expansion and the digital shift of the businesses, it is essential to ensuring information security, including the appropriate management of personal information and measures such as information management and cybersecurity countermeasures.

As such, the Company aggregates information security-related risk data and discusses response policies and other matters. In addition, the Security Oversight Committee, an external advisory body, has been meeting regularly, and based on the oversight and advice from experts, the company is continuously working to strengthen information security.

In addition to building capabilities for early response and recovery in the case of emergencies, such as when unexpected security risks materialize, the Company has been working to raise awareness on information security by providing education and training provided to its officers and employees as well as other measures.

Through these initiatives, the Company continues to maintain and strengthen its information security management structure based on the PDCA cycle.

D. Environmental initiatives

The Company's Digital Contents business accounts for approximately 70% of its total revenue and primarily entails the development and sale of software. This means that the Company's environmental impact and climate-related risks are lower than the general manufacturing industry. Therefore, the Company believes that the impact

of climate change risks and profit opportunities on its business activities and operating results will be minimal.

However, recognizing that addressing climate change is a challenge that requires the cooperation of everyone living on this planet, the Company is promoting environmental initiatives tailored to the specific characteristics of each business. Based on this view, the Company leads the promotion of digital sales of its content, which is part of its efforts to conserve resources and curb CO₂ emissions in manufacturing and transporting disks. The Company is also working to reduce environmental burdens, by implementing power-saving measures and recycling certain parts in the manufacturing and sale of pachislo machines.

Furthermore, as part of the Company's environmental initiatives, it is promoting the introduction of CO₂-free electricity sourced from renewable energy at its major sites. As a result, approximately 30% of the power consumed by the Company in Japan is now provided by renewable energy. In addition, the Company is working to further reduce the environmental impact of its business activities by expanding the use of this type of electricity at each of its business locations and introducing green electricity at select locations, as well as by using its own data centers equipped with power-saving measures, and making use of major cloud and data center service providers that promote the use of renewable energy.

③ Initiatives on corporate governance

The Company is continuously working to enhance its corporate governance to enhance the transparency and soundness of management, build a system that can respond to changes in the business environment, and raise its medium- to long-term corporate value.

A. Strengthening corporate governance

The Company is working to strengthen the performance of the Board of Directors by ensuring the diversity of the Board and the active participation of external directors to achieve sustainable growth and raise corporate value over the medium to long term, while taking into account the perspective of our stakeholders.

In addition, the Company strives to strengthen the oversight functions of management through information sharing and mutual understanding by ways of the Nomination and Remuneration Committee, which is chaired by an external director (and comprised of a majority of external directors), and meetings to exchange opinions between internal directors and external directors.

The Company has promoted diversity on the Board of Directors by appointing one new female external director in 2025, bringing the number of female directors to three. In addition, with respect to the remuneration system for directors, with a view to enhancing corporate value over the medium to long term, the Company is working to further align value creation with shareholders by incorporating a higher degree of performance-based remuneration and stock remuneration into the remuneration structure for executive directors, as well as other measures.

B. Strengthening the risk management system

The Company believes that it is important to develop and operate a system that can appropriately assess and manage the risks arising from its business activities in order to achieve sustainable growth. To this end, the Company has established the Risk and Compliance Committee, chaired by an external director, to act as an advisory body to the Board of Directors, and has also instituted a Risk and Compliance Council chaired by the representative director. These measures are intended to clarify the risk management system, and to centralize and enhance risk management across the Company.

In addition, the Risk and Compliance Council strives to ensure that corporate governance functions effectively by enhancing the effectiveness of risk management, including by regularly reporting on its activities to the Risk and Compliance Committee.