

English Translation of Original Japanese

This is a translation of the original notice in Japanese. In the event of any discrepancy, the original notice in Japanese shall prevail.

Securities code number: 2432

June 4, 2021

To Our Shareholders

DeNA Co., Ltd.

21-1, Shibuya 2-chome

Shibuya-ku, Tokyo

President & CEO: Shingo Okamura

Notice of the Convocation of the 23rd Ordinary General Meeting of Shareholders

You are hereby notified that DeNA will convene its 23rd annual ordinary general meeting of shareholders (the “Annual Meeting”) as indicated below.

We strongly recommend that you refrain from coming to the venue on the day of the Annual Meeting regardless of your health condition in light of the recent spread of the novel coronavirus infection, and cast your proxy vote in advance either by sending the enclosed proxy voting ballot or electronically (via the Internet). After reviewing the Reference Documents for the Annual Meeting accompanying this Notice, please cast your proxy vote no later than 6 p.m. on Friday, June 18, 2021 (JST).

Thank you.

The details of the Annual Meeting are as follows:

- 1. Time:** Saturday, June 19, 2021, at 3 p.m. (reception starts at 2 p.m.)
- 2. Place:** Hikarie Hall, Shibuya Hikarie (9th floor)
21-1, Shibuya 2-chome, Shibuya-ku, Tokyo
- 3. Objectives of the Annual Meeting**

Matters to be reported:

- a. The contents of the Business Report for the 23rd period (April 1, 2020 to March 31, 2021), the Consolidated Financial Statements, and the audit reports of the Accounting Auditor as well as the Company’s Board of Corporate Auditors regarding the Consolidated Financial Statements
- b. The contents of the Financial Statements for the 23rd period (April 1, 2020 to March 31, 2021)

Matters to be resolved:

- Proposal 1: Allocation of Surplus
- Proposal 2: Appointment of Seven (7) Directors
- Proposal 3: Appointment of One (1) Corporate Auditor
- Proposal 4: Revision of the Stock Acquisition Rights as Stock Options for Directors

- Please note that if you decide to attend the Annual Meeting, please bring the enclosed proxy voting ballot to the meeting and present it at the entrance to the meeting hall. In order to assist us in reducing the amount of paper used, please also bring this Notice of Convocation.

Reference Documents for the Annual Meeting

Proposals and Reference Documents

Proposal 1: Allocation of Surplus

The proposed allocation of surplus is as follows:

The Company regards as important management priorities the continuing enhancement of its corporate value through business growth and strengthening of its management structure and contributing to shareholders' earnings.

With respect to allocating profit for the year to shareholders through dividend payments, after taking into account such matters as the Company's performance for each fiscal year, the Company adopts as its objective the basic principle of minimum dividend payment equal to a consolidated payout ratio of 15% or an annual dividend of ¥20 per share of the Company's common stock, whichever is higher. At the same time, the Company will continue to aim for the basic principle of dividend payments at a consolidated payout ratio of 30% in the future.

Regarding the final dividend for the 23rd period, in accordance with the above-mentioned basic principle, taking into account such factors as the Company's financial results for the fiscal year ended March 31, 2021, the future business environment, and retained earnings necessary for continuing growth, the Company proposes ¥32 per common share of the Company, with the consolidated payout ratio of 15.4%.

1. Type of dividend: Cash dividend
2. Matters related to the allocation of the assets to be paid as dividends and the total amount of dividends:
¥32 per common share of the Company
A total amount of ¥3,912,255,072
Note: The above amount includes dividends in the amount of ¥6,387,808 to be paid on the Company's shares held by the Stock Grant ESOP Trust account. The total amount of dividends excluding the above amount shall be ¥3,905,867,264.
3. Effective date of distribution of dividends from surplus: June 21, 2021

(Reference)

The amount of final dividends per share for the last four fiscal years

	Final dividend per share			Proposed allocation
Period	20th period	21st period	22nd period	23rd period (fiscal year ended March 31, 2021)
Amount	¥32	¥40	¥20	¥32

(The 21st period included a one-time special dividend of ¥20 for the Company's 20th anniversary)

Proposal 2: Appointment of Seven (7) Directors

The term of all the Directors (five in number) will end at the closing of this Annual Meeting. Accordingly, in order to further strengthen its management and corporate governance system, the Company hereby proposes to increase the number of Directors by two (one of which is Outside Director), and elect four incumbent Directors (two of which are Outside Directors) and three new Directors (one of which is Outside Director) listed below. The nomination of candidates for Director has been decided by the Board of Directors, upon deliberations and recommendations by the Nomination Committee, which was voluntarily established by the Company with the majority of its members comprised of Independent Outside Directors, based on the analysis and evaluation of the effectiveness of the entire Board of Directors' meetings conducted in the fiscal year ended March 31, 2021. All candidates for Outside Director meet the independence standards set forth by the Company, and upon approval of this proposal as originally proposed, one third or more of Directors will be Independent Outside Directors.

See also pages 19 to 23, "Board Policies in the Nomination of Director and Corporate Auditor Candidates," "Independence Standards for Independent Board Members," "Structure for Corporate Governance and Internal Control System," and "Analysis and Evaluation of the Board's Effectiveness as a Whole" for reference.

The candidates for Director are as follows:

Candidate number		Name	Current position and areas of responsibility at the Company	Number of the Board of Directors' meetings attended
1	Reappointment	Tomoko Namba	Representative Director & Executive Chairman	17 times out of 17 meetings (100%)
2	Reappointment	Shingo Okamura	Representative Director, President & Chief Executive Officer (CEO)	17 times out of 17 meetings (100%)
3	New Appointment	Jun Oi	Managing Executive Officer, Chief Financial Officer (CFO), Head of Corporate Unit	—
4	New Appointment	Keigo Watanabe	Managing Executive Officer, Chief Business Officer (CBO), Head of External Partnerships & Alliances Unit	—
5	Reappointment	Koji Funatsu	Outside Independent Board Member	17 times out of 17 meetings (100%)
6	Reappointment	Hiroyasu Asami	Outside Independent Board Member	14 times out of 14 meetings (100%)
7	New Appointment	Haruo Miyagi	Outside Independent Board Member	—

Outside

Candidate for Outside Director

Independent Board Member

Candidate for Independent Board Member

Candidate number 1: Tomoko Namba

Date of birth: April 21, 1962

[Reappointment]

Number of Company shares held	Summary background, position and areas of responsibility
19,793,618 shares	April 1986: Entered McKinsey & Co., Inc. (Japan) June 1990: Graduated from Harvard Business School (MBA) December 1996: Partner of McKinsey & Co., Inc. (Japan) March 1999: Established the Company and became Director August 1999: Reorganized the Company to <i>Kabushiki Kaisha</i> and became Representative Director September 2004: Representative Director and President of the Company June 2005: Representative Director and President of Mobaoku Co., Ltd. April 2009: Representative Director, President, and Chief Executive Officer (CEO) of the Company June 2011: Director of the Company June 2013: Director and Executive Officer of the Company January 2015: Director and Owner of YOKOHAMA DeNA BAYSTARS BASEBALL CLUB, INC. (present)
Number of the Board of Directors' meetings attended	June 2015: Director, Executive Chairman, and Executive Officer of the Company March 2017: Representative Director, Executive Chairman and Executive Officer of the Company
17 times out of 17 meetings (100%)	September 2019: Representative Director of Delight Ventures Inc. (present) April 2021: Representative Director & Executive Chairman of the Company (present) [Important concurrent posts] Director and Owner of YOKOHAMA DeNA BAYSTARS BASEBALL CLUB, INC. Representative Director of Delight Ventures Inc.
[Reasons for nomination as Director] As founder of the Company, and as Representative Director and President of the Company until 2011, Ms. Tomoko Namba led the management and continued to contribute to the development of the businesses of the Company with deep understanding of the DeNA Group's business and related industries, and also with excellent managerial capability. Since June 2017, she has made efforts to further activate and enhance the effectiveness of discussions at Board meetings as Chairperson of the Board. She has also flexibly made improvements to the Board of Directors, which in turn contributes to the enhancement of the monitoring functions of the Board of Directors. Furthermore, as Managing Partner of a venture fund where the Company makes investments, she endeavors to provide new value to society by taking the lead in supporting venture investment and the launch of new businesses. The Company believes that her outstanding talent in negotiations and communication with a wide range of domestic and overseas stakeholders and her desire and flexibility to provide new value, as well as her supervision of management based on her vast experience in organization management, will remain indispensable for the Company to continue realizing the DeNA Group's mission and vision of bringing delight to everyone. The Company therefore has proposed her for the position of Director.	

Number of Company shares held	Summary background, position and areas of responsibility
603 shares	April 1995: Entered Ministry of Posts and Telecommunications (currently Ministry of Internal Affairs and Communications) August 2015: Senior Planning Officer, Planning Division, Postal Services Policy Department, Information and Communication Bureau of Ministry of Internal Affairs and Communications April 2016: Entered the Company, Head of Sports Promotion Office Representative Director & President of Yokohama Stadium Co., Ltd. October 2016: Head of Sports Business Unit of the Company Representative Director & President of YOKOHAMA DeNA BAYSTARS BASEBALL CLUB, INC.
Number of the Board of Directors' meetings attended	July 2017: Executive Officer, Head of Sports Business Unit of the Company April 2019: Managing Executive Officer, Chief Operating Officer (COO) and Head of Sports Business Unit of the Company Chairman of Yokohama Stadium Co., Ltd. (present)
17 times out of 17 meetings (100%)	June 2019: Director and Chief Operating Officer (COO), and Head of Sports Business Unit of the Company April 2020: Director and Chief Operating Officer (COO), Head of Sports Business Unit, and Deputy Head of Game & Entertainment Business Unit of the Company (present) October 2020: Director and Chief Operating Officer (COO) of the Company April 2021: Representative Director, President & Chief Executive Officer (CEO) of the Company (present) [Important concurrent posts] Chairman of Yokohama Stadium Co., Ltd.
[Reasons for nomination as Director] Since joining the Company, Mr. Shingo Okamura has contributed to the management of the DeNA Group by demonstrating his talent in consistently executing organization building efforts that fully capitalize on the strengths of individual human resources and organizations, as well as his excellent ability in negotiating with and promoting business for a wide range of stakeholders. He has done so by undertaking the important responsibility of serving as Representative Director & President of YOKOHAMA DeNA BAYSTARS BASEBALL CLUB, INC. and Yokohama Stadium Co., Ltd. as well as being the person in charge of the sports business section, and also as Chief Operating Officer (COO), Deputy Head of the Game & Entertainment Business Unit and Director of the Company. He also led the revision of our corporate mission, vision, and value in April 2021, and redefined how the Company is operated, and since April 2014 he has used his experience in the DeNA Group to conduct corporate management as Representative Director, President & Chief Executive Officer (CEO) of the Company. The Company believes that his ability to fully capitalize on the strengths of our organization, as well as his broad experience, knowledge, and qualities are vital to the further development of the DeNA Group's business through unique business expansion in the future. The Company therefore has proposed him for the position of Director.	

Candidate number 3: Jun Oi

Date of birth: September 24, 1972 [New Appointment]

Number of Company shares held	Summary background, position and areas of responsibility
8,855 shares	April 1995: Entered Ministry of Home Affairs (currently Ministry of Internal Affairs and Communications) April 2011: Planning Director for Local Public Finance, Local Public Finance Division, Local Public Finance Bureau of Ministry of Internal Affairs and Communications April 2013: Entered the Company August 2013: Head of External Affairs Office, Corporate Alliance Division of the Company April 2014: Head of External Affairs Division, External Affairs Unit of the Company January 2015: Head of Healthcare Business Division of the Company Representative Director & President of DeNA Life Science, Inc.
Number of the Board of Directors' meetings attended	March 2015: Head of Healthcare Business Division of the Company Representative Director & President of DeNA Life Science, Inc.
—	Representative Director & President of DeSC Healthcare, Inc. April 2015: Executive Officer, Head of Healthcare Business Division of the Company Representative Director & President of DeNA Life Science, Inc. Representative Director & President of DeSC Healthcare, Inc. April 2018: Executive Officer, Head of Corporate Unit of the Company Representative Director of DeNA Life Science, Inc. (present) April 2020: Managing Executive Officer, Chief Financial Officer (CFO), and Head of Corporate Unit of the Company (present) [Important concurrent posts] Representative Director of DeNA Life Science, Inc.
[Reasons for nomination as Director] Since joining the Company, Mr. Jun Oi has contributed to management of the DeNA Group by demonstrating his excellent talent in external affairs and business promotion through important responsibilities he took on in both operational and administrative sections of the Group, including acting as the person in charge of external affairs, the person in charge of the healthcare business section of the Company, as well as the Representative Director of healthcare related subsidiaries, the Head of the Corporate Unit of the Company, and also Director of other subsidiaries, Managing Executive Officer and Chief Financial Officer (CFO) of the Company. In particular, since assuming the office of Head of the Corporate Unit of the Company in April 2018, he has led the formulation of the DeNA Group's business plans and has made tremendous contributions to achieving recovery of business performance, while also having contributed to the formulation of our mid to long-term strategy. He has also steadily worked to rebuild the business base that enables sustainable growth of the Group. The Company believes that his broad experience, business driving ability, insight, and qualities backed by his achievements are vital to solve important management issues of the DeNA Group, and to further promote its management. The Company therefore has proposed him for the position of Director.	

Candidate number 4: Keigo Watanabe

Date of birth: November 3, 1978

[New Appointment]

Number of Company shares held	Summary background, position and areas of responsibility
25,878 shares	April 2001: Entered Zenyaku Kogyo Co., Ltd. March 2002: Entered the Company April 2009: Sales Business in Internet Marketing Business Unit of the Company April 2011: Head of Business Development Dept., Social Media Business Unit of the Company January 2012: Head of Business Development Office of the Company June 2012: Head of Business Development Division of the Company April 2013: Head of Corporate Alliance Division of the Company April 2014: Executive Officer and Head of External Partnerships & Alliances Unit of the Company
Number of the Board of Directors' meetings attended	April 2019: Managing Executive Officer and Head of External Partnerships & Alliances Unit of the Company Representative Director & President of SHUEISHA DeNA Projects Co., Ltd. (present)
—	April 2021: Managing Executive Officer, Chief Business Officer (CBO), and Head of External Partnerships & Alliances Unit the Company (present) [Important concurrent posts] —
[Reasons for nomination as Director] Since joining the Company, Mr. Keigo Watanabe has supervised sales business in the advertising sales section of the Company, and has also been the person in charge of such sections as business development, business alliance, external affairs, and strategic investment. He has also served as the Director and Representative Director of joint ventures established with a business partner, and as Managing Executive Officer of the Company. Based on his highly advanced external affairs skills and eagerness to expand business, he has played an important role in building and developing strong alliances with other companies, which is an important asset for the DeNA Group when doing business. He has also eagerly pursued further development of the DeNA Group, such as by promoting several projects that proved to be turning points for the Group's business, and has continued to promote the building of multi-dimensional networks. The Company believes that his strong loyalty to his duties, as well as his motivation and qualities toward promoting collaboration and building relationships with companies that support social systems, are vital to challenges and changes necessary for the DeNA Group's mission and vision of bringing delight. The Company therefore has proposed him for the position of Director.	

Candidate number 5: Koji Funatsu

Date of birth: March 18, 1952

[Reappointment]

[Outside] [Independent]

Number of Company shares held	Summary background, position and areas of responsibility
0 shares	April 1981: Entered Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.) December 1995: Director of Recruit Hokkaido Jalan Co., Ltd.
Number of the Board of Directors' meetings attended	April 1998: Entered transcosmos inc. June 1998: Managing Director of transcosmos inc. June 1999: Senior Managing Director of transcosmos inc. April 2000: Vice President of transcosmos inc.
17 times out of 17 meetings (100%)	September 2002: President & CEO of transcosmos inc. June 2003: Chairman & CEO of transcosmos inc. (present) October 2014: Outside Director of KADOKAWA DWANGO CORPORATION (currently KADOKAWA CORPORATION) (present)
No. of years as director	June 2019: Outside Director of the Company (present)
2 years (As of date of conclusion of the Annual Meeting)	[Important concurrent posts] Chairman & CEO of transcosmos inc. Outside Director of KADOKAWA CORPORATION
[Reasons for nomination as Outside Director and outline of expected roles] Mr. Koji Funatsu has extensive management experience and broad insight as a representative director of listed companies providing mainly various IT-related services. After being appointed as an Outside Director of the Company in June 2019, with his high-level understanding of the potential, significance, and strength of the IT market, he has given valuable advice on management based on a mid to long-term perspective, as well as important and well-balanced advice on the approach to decision-making necessary for bringing the DeNA Group to the next step, the functions of the Board of Directors, and how discussions at Board of Directors' meetings should be. Also, given his extensive management experience and insight in fields related to IT and the China business, as well as his experience as an outside director of other listed companies, he has played an important role in supervising management and decision-making in the DeNA Group from an objective position independent from management engaged in business execution. The Company judges that his broad experience and qualities are vital for the DeNA Group's corporate value to improve and grow over the mid to long-term, and therefore the Company has proposed him for the position of Outside Director of the Company. If he is appointed as a Director of the Company, he will also be appointed as the Chairperson of the Compensation Committee of the Company and as a member of the Nomination Committee. The Company expects that he will provide advice and perform supervisory functions based on his experience and insight as described above. [Concurrent posts] Mr. Koji Funatsu is a Representative Director of transcosmos inc., a listed company, and also concurrently serves as an Outside Director of KADOKAWA CORPORATION. He has attended all meetings of the Company's Board of Directors held since his appointment as Director of the Company in June 2019, including extraordinary meetings. Furthermore, even when a resolution of the Board of Directors is made by written consent, he checked the materials and indicated his approval or disapproval without any delay, thereby contributing to prompt decision-making. In addition, he attended all meetings of the Nomination Committee, Compensation Committee, offsite meetings, Outside Directors & Corporate Auditors' information reporting sessions, and other such meetings held since his appointment, and played an important role as indicated above at all meetings. He acted actively as the Chairperson of the Nomination Committee, conducting individual interviews with candidates as part of the selection process for Director and Executive Officer candidates, and promptly performing duties other than attending meetings as well. The Company also judges that he is fully capable of performing duties as an Outside Director of the Company following his explanation on his position, responsibilities and burden of duty of these concurrent posts. If this proposal is approved, Mr. Funatsu will attend all meetings of the Board of Directors, Nomination Committee, and Compensation Committee planned to be held from the time of his appointment until the Annual Meeting of the Company to be held during the fiscal year ending March 2023. For this reason as well, the Company judges that the concurrent posts will not prevent him from fulfilling his duty as an Outside Director of the Company.	

Candidate number 6: Hiroyasu Asami

Date of birth: September 8, 1956

[Reappointment]

[Outside] [Independent]

Number of Company shares held	Summary background, position and areas of responsibility
0 shares	April 1980: Entered Nippon Telegraph and Telephone Corporation June 2009: Executive Officer of NTT DOCOMO, INC. March 2013: Executive Vice President of NTT DOCOMO INC. June 2014: Executive Vice President and Member of the Board of Directors of NTT DOCOMO INC. June 2016: Senior Executive Vice President, Representative Member of the Board of Directors of NTT DOCOMO INC. June 2019: Representative Director and President of DOCOMO CS, Inc. (scheduled to retire on June 11, 2021) June 2020: Outside Director of the Company (present)
Number of the Board of Directors' meetings attended	
14 times out of 14 meetings (100%)	
No. of years as director	
1 year (As of date of conclusion of the Annual Meeting)	
[Important concurrent posts] —	
[Reasons for nomination as Outside Director and outline of expected roles] As an executive of listed companies providing various services primarily for the communications business, Mr. Hiroyasu Asami has extensive business experience with consumer services, multimedia services, and corporate planning, as well as technology, device, and information strategy. In addition, he has management experience at a company that engages in network maintenance, operates call centers, and operates stores that sell communication devices, etc., as well as broad insight based on such experience. Since assuming his position as Outside Director of the Company in June 2020, he has given suggestions on accumulating strengths of the DeNA Group as a corporation, has made proposals for discussion aimed at decision-making, and has given well-balanced, flexible, and valuable advice on business and management from a mid to long-term perspective, and thus has played an important role in supervising the management of the Group. The Company judges that his broad experience and qualities are vital for the DeNA Group's corporate value to improve and grow over the mid to long-term, and therefore the Company has proposed him for the position of Outside Director the Company. If he is appointed as a Director of the Company, he will also be appointed as the Chairperson of the Nomination Committee of the Company and as a member of the Compensation Committee. The Company expects that he will provide advice and perform supervisory functions based on his experience and insight as described above.	
[Concurrent posts] Mr. Hiroyasu Asami is scheduled to retire from his position as a Representative Director of one unlisted company (DOCOMO CS, Inc.) on June 11, 2021, and he is scheduled to be appointed as an advisor to the same company. The Company judges that he is fully capable of performing his duties as an Outside Director of the Company following his explanation on his position, responsibilities and burden of duty of this concurrent post. If this proposal is approved, Mr. Asami will attend all meetings of the Board of Directors, Nomination Committee, and Compensation Committee planned to be held from the time of his appointment until the Annual Meeting of the Company to be held during the fiscal year ending March 2023. For this reason as well, the Company also judges that the concurrent post will not prevent him from fulfilling his duty as an Outside Director of the Company.	

Candidate number 7: Haruo Miyagi

Date of birth: June 19, 1972

[New Appointment]

[Outside] [Independent]

Number of Company shares held	Summary background, position and areas of responsibility
0 shares	March 1993: Established the ETIC. Student Entrepreneur Liaison Conference
Number of the Board of Directors' meetings attended	March 2000: Established the Non-Profit Organization ETIC. (Entrepreneurial Training for Innovative Communities) and became CEO (present)
—	April 2010: Part-time Lecturer of Graduate School of Waseda University
No. of years as director	November 2013: Advisor to Ministry of Education, Culture, Sports, Science and Technology
—	April 2015: Visiting Professor of Tama Graduate School of Business (present)
	June 2019: Member of the Council on Overcoming Population Decline and Vitalizing Local Economy, the Cabinet Office's Overcoming Population Decline and Vitalizing Local Economy Headquarters (present)
	[Important concurrent posts] CEO of the Non-Profit Organization ETIC. (Entrepreneurial Training for Innovative Communities)
[Reasons for nomination as Outside Director and outline of expected roles] Mr. Haruo Miyagi has consistently worked to support and develop entrepreneurs since he was a student. As CEO of an NPO that aims to cultivate leaders, he has broad experience earned through supporting more than 1,500 entrepreneurs as they founded companies, as well as experience in operating and managing the NPO, and international perspective into cutting-edge organization management based on his extensive network of start-up companies both in Japan and abroad. He is also actively engaged in social contribution activities including earthquake reconstruction support. Accordingly, based on his experience and insight, he is expected to provide multifaceted advice on business promotion in many different fields the Company is pushing forward, as well as management of organizations utilizing unique human resources. The Company also considers it important to obtain advice from him based on the knowledge about social issues and community organization he gained through social contribution activities, in order to further promote the entire business in the DeNA Group and to operate business by taking advantage of its strength. The Company judges that his broad experience and qualities are vital for the DeNA Group's corporate value to improve and grow over the mid to long-term, and therefore the Company has proposed him for the position of Outside Director of the Company. If he is appointed as a Director of the Company, he will also be appointed as a member of the Nomination Committee and the Compensation Committee of the Company. The Company expects that he will provide advice and perform supervisory functions based on his experience and insight as described above. [Concurrent posts] Mr. Haruo Miyagi concurrently serves as a CEO of one non-profit organization (the Non-Profit Organization ETIC.). The Company judges that he is fully capable of performing his duties as an Outside Director of the Company following his explanation on his position, responsibilities and burden of duty of this concurrent post. If this proposal is approved, Mr. Miyagi will attend all meetings of the Board of Directors, Nomination Committee, and Compensation Committee planned to be held from the time of his appointment until the Annual Meeting of the Company to be held during the fiscal year ending March 2023. For this reason as well, the Company judges that the concurrent post will not prevent him from fulfilling his duty as an Outside Director of the Company.	

- Notes:
1. The Company has business transactions with YOKOHAMA DeNA BAYSTARS BASEBALL CLUB, INC., in which Ms. Tomoko Namba serves as Director and Owner, including loans, advertisement, outsourcing of system operation, maintenance, and corporate administration.
 2. The Company has business transactions with Delight Ventures Inc., in which Ms. Tomoko Namba serves as Representative Director, including system operation and maintenance.
 3. The Company has business transactions with DeNA Life Science, Inc., in which Mr. Jun Oi serves as Representative Director, including outsourcing of system operation, maintenance, and corporate administration.
 4. The Company has business transactions with SHUEISHA DeNA Projects Co., Ltd., in which Mr. Keigo Watanabe serves as Representative Director, including outsourcing of system operation, maintenance, and corporate administration.
 5. The DeNA Group has business transactions relating to outsourcing of advertisement and various other businesses with transcosmos inc., in which Mr. Koji Funatsu serves as Chairman and CEO. Since he fulfills the Company's Independence Standards for Independent Board Members, considering the circumstance that the total annual transaction amount between transcosmos inc. and the DeNA Group was neither 1% or more of the consolidated net sales of the DeNA Group nor 1% or more of the consolidated net sales of transcosmos inc., the Company judges that he is sufficiently independent as an Outside Director. In addition, no personnel relationship exists between the Company and transcosmos inc., and there are no such relationships in which transcosmos inc. can influence the management, setting of policies for financial strategy or other decision-making of the Company.
 6. The DeNA Group has business transactions with NTT DOCOMO INC. in which Mr. Hiroyasu Asami served as Representative Director from June 2016 to June 2019, including introduction of settlement service for mobile devices, capital and business alliance at the Company's subsidiaries, and sponsorship. In addition, NTT DOCOMO INC. and the Company established a joint venture, Everystar Co., Ltd. Since he fulfills the Company's Independence Standards for Independent Board Members, considering the circumstance that the total annual transaction amount between NTT DOCOMO INC. and the DeNA Group was neither 1% or more of the consolidated net sales of the DeNA Group nor 1% or more of the consolidated net sales of NTT DOCOMO INC., the Company judges that he is sufficiently independent as an Outside Director. Although directors and corporate auditors from NTT DOCOMO INC. have assumed office at a certain subsidiary of the Company, such appointments aim at supervising and auditing business at the subsidiary. No personnel relationship exists between the Company and NTT DOCOMO INC., and there are no such relationships in which NTT DOCOMO INC. can influence the management, setting of policies for financial strategy or other decision-making of the Company.
 7. Mr. Hiroyasu Asami served as an Independent Director at Everystar, Co., Ltd., a subsidiary of the Company, from April 2010 to June 2014.
 8. In addition to items 1. to 7. above, there are no special interest relationships between the candidates for Director and the Company.
 9. Mr. Hiroyasu Asami is scheduled to be appointed as an advisor to DOCOMO CS, Inc. on June 11, 2021.
 10. Mr. Haruo Miyagi has never been involved in corporate management except in the role of Outside Director or Outside Corporate Auditor. However, he has management experience as a CEO of a NPO and experience of providing a wide range of management support for start-up companies through assisting, etc. founding of businesses by 1,000 or more entrepreneurs. He has an appreciable amount of knowledge about management, and the Company therefore has determined that he is capable of conducting his duties as an Outside Director.
 11. The Company has registered Mr. Koji Funatsu and Mr. Hiroyasu Asami as Independent Directors as defined by Tokyo Stock Exchange, Inc. In the event that Mr. Koji Funatsu and Mr. Hiroyasu Asami are reappointed as Director, the Company intends to continue to register them as Independent Directors as defined by the Tokyo Stock Exchange, Inc. In addition, in the event that Mr. Haruo Miyagi is appointed as Director, the Company intends to register him as Independent Director. The Company's Independence Standards for Independent Board Members are described on page 20.
 12. The Company has executed a liability limitation agreement with Mr. Koji Funatsu and Mr. Hiroyasu Asami in order to limit liability under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 26, Paragraph 2 of the Company's Articles of Incorporation. The maximum amount of liability for damages under the agreement will be the higher of ¥10 million or the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If they are reappointed, the liability limitation agreement will be extended. In addition, in the event that Mr. Haruo Miyagi is appointed as Director, the Company intends to execute such agreement with him.
 13. The Company has entered a directors and officers liability insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with the Directors of the Company as the insured parties. This insurance policy covers compensation for damages and legal costs

incurred by the insured parties due to claims for damages resulting from acts (including omissions) committed by the insured parties based on their position as executives. If appointment of the candidates for Director are approved based on this proposal, the candidates shall be included as insured parties of this insurance policy. The Company plans to renew this insurance policy with the same details during their terms of office as Director.

14. The number of Company shares held by the candidates for Director is current as of March 31, 2021.
15. The number of Company shares held by Ms. Tomoko Namba and Mr. Shingo Okamura includes their Company shares held through the DeNA Directors' Shareholders Association.
16. The number of the Board of Directors' meetings attended by Mr. Hiroyasu Asami represents the number of meetings attended by him after his appointment as Director on June 20, 2020.

Proposal 3: Appointment of One (1) Corporate Auditor

The term of one of the Company's Corporate Auditors will end at the closing of this Annual Meeting. Accordingly, the Company hereby proposes to elect one incumbent Outside Corporate Auditor listed below. The nomination of the candidate for Corporate Auditor has been decided by the Board of Directors, upon deliberations and recommendations by the Nomination Committee, which was voluntarily established by the Company with the majority of its members comprised of Independent Outside Directors, based on the analysis and evaluation of the effectiveness of the entire Board of Directors' meetings conducted in the fiscal year ended March 31, 2021.

Prior consent has been obtained from the Board of Corporate Auditors with respect to submission of this proposal.

See also pages 19 to 23, "Board Policies in the Nomination of Director and Corporate Auditor Candidates," "Independence Standards for Independent Board Members," "Structure for Corporate Governance and Internal Control System," and "Analysis and Evaluation of the Board's Effectiveness as a Whole" for reference. The candidate for Corporate Auditor is as follows:

Candidate: Shinichi Koizumi

Date of birth: February 29, 1948

[Reappointment]

[Outside] [Independent]

Number of Company shares held	Summary background and position
0 shares	April 1971: Joined Toray Industries, Inc. June 2004: Vice President (Member of the Board) of Toray Industries, Inc.
Number of the Board of Directors' meetings attended	June 2006: Senior Vice President (Member of the Board) of Toray Industries, Inc.
17 times out of 17 meetings (100%)	June 2007: Senior Vice President (Member of the Board & Member of the Executive Committee) of Toray Industries, Inc.
Number of the Corporate Auditors' meetings attended	June 2008: Executive Vice President and Representative Member of the Board of Toray Industries, Inc.
12 times out of 12 meetings (100%)	June 2013: Senior Advisor of Toray Industries, Inc. Chairman of the Board of Toray Corporate Business Research, Inc.
No. of years as corporate auditor	June 2015: Advisor of Toray Industries, Inc. Outside Director of OBAYASHI CORPORATION (present)
4 years (As of date of conclusion of the Annual Meeting)	June 2016: Outside Director of Japan Bank for International Cooperation (present) June 2017: Standing Corporate Auditor (Outside Corporate Auditor) of the Company (present) April 2019: Outside Director of Preferred Networks, Inc. (present)
[Important concurrent posts] Outside Director of OBAYASHI CORPORATION Outside Director of Japan Bank for International Cooperation Outside Director of Preferred Networks, Inc.	
[Reasons for nomination as Outside Corporate Auditor] Mr. Shinichi Koizumi has a wealth of management experience and broad knowledge in large-scale global companies. Since assuming his position as a Corporate Auditor of the Company in June 2017, he has appropriately offered remarks necessary for deliberation of proposals and the like based on his experience and insight. He has overseen overall management and offered useful advice from a broad perspective foreseeing the future of the DeNA Group. He has also provided useful advice about how to improve and enhance our corporate governance and internal control systems, as well as our compliance and risk management systems. As a Standing Corporate Auditor, he actively exchanges information and opinions with other Corporate Auditors and Outside Directors. In addition, he leads Corporate Auditors' audits and endeavors to secure the legality of business execution when conducting audits based on his own management experience and knowledge. He contributes to ensuring the soundness and legality of corporate management, such as by auditing execution of duties by Directors from a specialized, independent, and objective perspective, with regard to matters put before the Board of Directors. The Company judges that his advice based on management experience and broad knowledge is vital for securing and further enhancing the soundness and legality of management of the Company. The Company therefore has proposed him for the position of Outside Corporate Auditor. If he is appointed as Corporate Auditor, the Board of Corporate Auditors of the Company plans to elect him as a Standing Corporate Auditor.	

- Notes:
1. In the fiscal 2018, the DeNA Group had business transactions relating to construction work for the office of one of its subsidiaries with OBAYASHI CORPORATION, in which Mr. Shinichi Koizumi serves as Outside Director. Since he fulfills the Company's Independence Standards for Independent Board Members, considering the circumstance that he is an Outside Director of OBAYASHI CORPORATION but has never been appointed an Executive Director and that the total annual transaction amount between OBAYASHI CORPORATION and the DeNA Group was neither 1% or more of the consolidated net sales of the DeNA Group nor 1% or more of the consolidated net sales of OBAYASHI CORPORATION, the Company judges that he is sufficiently independent as an Outside Corporate Auditor. In addition, no personnel relationship exists between the Company and OBAYASHI CORPORATION, and there are no such relationships in which OBAYASHI CORPORATION can influence the management, setting of policies for financial strategy or other decision-making of the Company.
 2. Mr. Shinichi Koizumi is an Outside Director of OBAYASHI CORPORATION, which in March 2018 was charged with violating the Antimonopoly Act in the process of bidding on the Linear Chuo Shinkansen. In October 2018, OBAYASHI CORPORATION was found guilty and charged with a fine of 200 million yen and in December 2020 it was issued an order for payment of surcharge of approximately 3,100 million yen, along with a cease and desist order from the Fair Trade Commission. Although he has served as an Outside Director since before this incident, he was unaware of the facts related to the incident until it was discovered. As an Outside Director of that company, he has regularly called attention to raise full awareness of compliance in the Board of Directors, and since the incident occurred, he has made recommendations to further strengthen our compliance system and take strong measures to prevent recurrence and has supervised the implementation of these measures.
 3. The Company has registered Mr. Shinichi Koizumi as Independent Auditor as defined by Tokyo Stock Exchange, Inc. In the event that Mr. Shinichi Koizumi is reappointed as Corporate Auditor, the Company intends to continue to register him as Independent Auditor. The Company's Independence Standards for Independent Board Members are described on page 20.
 4. The Company has executed a liability limitation agreement with Mr. Shinichi Koizumi in order to limit liability under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 34, Paragraph 2 of the Company's Articles of Incorporation. The maximum amount of liability for damages under the agreement will be the higher of ¥10 million or the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If he is reappointed, the liability limitation agreement will be extended.
 5. The Company has entered a directors and officers liability insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with the Corporate Auditors of the Company as the insured parties. This insurance policy covers compensation for damages and legal costs incurred by the insured parties due to claims for damages resulting from acts (including omissions) committed by the insured parties based on their position as executives. If appointment of the candidate for Corporate Auditor is approved based on this proposal, the candidate shall be included as insured parties of this insurance policy. The Company plans to renew this insurance policy with the same details during his term of office as Corporate Auditor.
 6. The number of Company shares held by the candidate for Corporate Auditor is current as of March 31, 2021.

Proposal 4: Revision of the Stock Acquisition Rights as Stock Options for Directors

At the 15th Ordinary General Meeting of Shareholders held on June 22, 2013, the Company obtained approval to issue stock acquisition rights granted as compensation in the form of stock options as described in the attached document. For Directors (excluding Outside Directors), the amount shall not exceed 1.0% per year of the amount of profit attributable to owners of the parent as set forth in the consolidated income statement for the previous fiscal year (provided, however, such amount shall not exceed 1.0% of the amount of said profit when added to the performance-linked cash compensation amount per year), and not exceed 160,000 units per year. For Outside Directors, the annual amount shall not exceed ¥20 million, and not exceed 15,000 units per year.

With the enforcement of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on March 1, 2021, when a stock company intends to prescribe that it can acquire stock acquisition rights as stock options on the condition that certain grounds arise, it is required to obtain approval at a General Meeting of Shareholders for an overview of the details of said grounds. Therefore, the Company proposes to revise the details of stock acquisition rights as compensation in the form of stock options as described below. This proposal has been decided by the Board of Directors of the Company, upon deliberations and recommendations by the Compensation Committee, which was voluntarily established by the Company with the majority of its members comprised of Independent Outside Directors.

Even in the event that this proposal is approved, the upper limit of the total amount and number of units for compensation-type stock options granted to Directors shall remain unchanged.

The purpose of issuing stock acquisition rights as compensation in the form of stock options to Directors is, by having Directors share with the shareholders the benefits of rising stock prices and the risks of falling stock prices, to motivate Directors to contribute to the enhancement of performance and corporate value, and provide them with the incentive to raise their awareness toward shareholder-oriented management, and the Company has deemed this to be appropriate.

The policy to determine individual compensation for Directors of the Company can be found on page 52 to 54 of the Business Report (Japanese version), and the Company believes that the details of this policy will continue to be appropriate even after approval of this proposal. The policy to determine individual compensation for Directors of the Company is to not grant compensation-type stock options to Outside Directors, and until now the Company has no record of granting compensation-type stock options to Outside Directors.

Currently, the number of Directors is five (including two Outside Directors). If Proposal 2 is approved as originally proposed, the number of Directors will be seven (including three Outside Directors).

Details of changes

The following items will be added to the details of stock acquisition rights described in the attached document, as details of stock acquisition rights in item (8). As a result of this addition, the number of the item concerning stock acquisition rights shall be changed from “(8) Other details of the stock acquisition rights” to “(9) Other details of the stock acquisition rights.”

(8) Items concerning acquisition of stock acquisition rights

- 1) The Company may acquire all of the stock acquisition rights without compensation at the arrival of the day separately determined by the Board of Directors, if approval is given by a General Meeting of Shareholders (or a resolution made by the Board of Directors if approval by a General Meeting of Shareholders is not required) for: a merger agreement in which the Company is absorbed; a company split agreement or

company split plan in which the Company becomes a split company; or a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary.

- 2) The Company may acquire stock acquisition rights without compensation at the arrival of the day separately determined by the Board of Directors if a holder of stock acquisition rights becomes unable to exercise stock acquisition rights in accordance with the provisions set forth in (7) above before exercising those rights.

(Attached document) Details of Stock Acquisition Rights

(1) Total number of stock acquisition rights

The total number of stock acquisition rights to be issued within each fiscal year, pursuant to the resolution of the Board of Directors of the Company, shall not exceed 1.0% of the amount of profit attributable to owners of the parent for the year as set forth in the consolidated income statement of the previous fiscal year for Directors excluding Outside Directors (provided, however, such amount shall not exceed 1.0% of the amount of said profit when added to the performance-linked cash compensation amount per year), and the annual amount for Outside Directors shall not exceed the number derived by dividing the total issue amount of each stock acquisition right that shall not exceed ¥20 million per year by the fair value per stock acquisition right, which is calculated using the Black-Scholes model based on the closing price of the Company shares in regular trading on the Tokyo Stock Exchange on the allotment date of stock acquisition rights (Under the condition that any fraction less than one share shall be rounded down, and the number shall not exceed 160,000 units per year for Directors excluding Outside Directors and shall not exceed 15,000 units per year for Outside Directors).

(2) Class of shares to be issued upon the exercise of stock acquisition rights

Common stock of the Company

(3) Number of shares to be issued upon the exercise of stock acquisition rights

The number of shares to be issued upon exercise of the stock acquisition rights ("Number of Shares Granted") shall be one share per stock acquisition right. However, the Number of Shares Granted may be adjusted within a reasonable extent in the event that the adjustment of the Number of Shares Granted is appropriate including the cases that the Company carries out a share split, allotment of shares of common stock of the Company without compensation, or share consolidation.

(4) Amount of assets to be contributed upon exercise of stock acquisition rights

The amount of assets to be contributed upon exercise of each stock acquisition right shall be the amount to be paid in for each of the shares to be delivered upon exercise thereof, which shall be ¥1, multiplied by the Number of Shares Granted.

(5) Exercise period of the stock acquisition rights

The exercise period of the stock acquisition rights shall not exceed 30 years from the date following the allotment date of the stock acquisition rights. However, if the final date of the exercise period falls on a holiday of the Company, then the business day prior to that date shall be the final date.

(6) Restriction on acquisition of the stock acquisition rights by transfer

Any acquisition of the stock acquisition rights by transfer shall be subject to the approval by resolution of the Board of Directors of the Company.

(7) Terms and conditions of the exercise of the stock acquisition rights

- 1) The holder of stock acquisition rights may exercise his/her stock acquisition rights only from the date following the date he/she retired from Director until the date on which ten days have elapsed ("Exercise Deadline") within the period stated in (5) above.
- 2) Notwithstanding paragraph 1) above, if a person serving as Outside Director on the allotment date remains as Outside Director on the date after three years have elapsed from the date following the allotment date, the said person may exercise his/her stock acquisition rights from that date (If he/she subsequently retired from Director, then he/she may exercise his/her stock acquisition rights until the Exercise Deadline).
- 3) Other terms and conditions of the exercise of the stock acquisition rights shall be determined by the Board of Directors' meeting to determine the subscription requirements of the stock acquisition rights.

(8) Other details of the stock acquisition rights

Other details of the exercise of the stock acquisition rights shall be determined by the Board of Directors' meeting where the subscription requirements of the stock acquisition rights are decided.

(For reference)

Board Policies in the Nomination of Director and Corporate Auditor Candidates

The Company believes that candidates for Director and Corporate Auditor at a minimum must have the sophistication and qualification to satisfy and promote the following objectives:

- continuous increase in the Company's corporate value;
- ensuring transparency and fairness in the Company's management; and
- establishing and maintaining a system of compliance.

In addition to the above, and consistent with the criteria below for the composition of the Board of Directors and Board of Corporate Auditors, candidates for Director and Corporate Auditor must be persons of excellence with sound judgment and insight, and individual characteristics such as gender and age are not considered.

[Board of Directors]

- in order to ensure transparency and fairness, the Board must include Outside Directors with a high level of independence;
- in order to allow for active discussion and prompt decision-making, the Board should consist of an appropriate number of members; and
- there should be an appropriate balance in the experience and background of Outside Directors, who should include persons with a wide range of considerable management experience and insight.

[Board of Corporate Auditors]

- in addition to persons with a wide range of considerable management experience, Corporate Auditors should include persons with background and insight in legal, finance and labor matters; and
- at least one Corporate Auditor should have considerable experience in finance and accounting.

(The above content is available in the Company's "Corporate Governance Report" (dated April 1, 2021))

Independence Standards for Independent Board Members

The Company judges independence of Outside Directors and Outside Corporate Auditors in accordance with the following standards set forth by the Company itself in addition to the criteria defined by Tokyo Stock Exchange, Inc.:

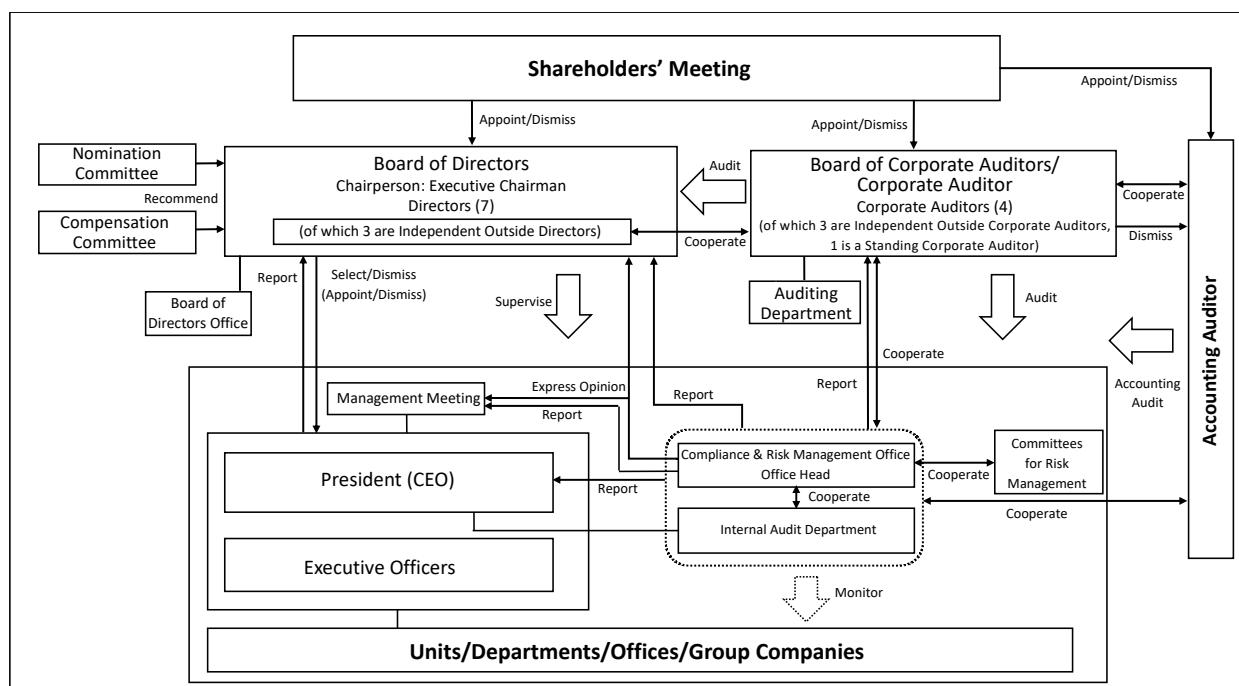
- (1) he/she is not, and has not been for the past three (3) years, an executive officer or employee of a business counterparty that is either:
 - a business counterparty the aggregate amount of whose business transactions with the Company in the fiscal year exceeded 1% of the annual consolidated sales of the Company or such business counterparty (group);
- (2) if he/she or any of his/her close relatives provides legal, accounting, consulting or other professional services to the DeNA Group, he/she or any of his/her close relatives does not receive, and has not received in the past three (3) years, remuneration from the DeNA Group (other than in the form of executive compensation) in excess of ¥5 million (or its equivalent) per year;
- (3) if a firm, etc. in which he/she serves provides legal, accounting, consulting or other professional services to the DeNA Group, the firm, etc. does not receive, and has not received in the past three (3) years, remuneration from the DeNA Group (other than in the form of executive compensation) in excess of ¥12 million (or its equivalent) per year, or in an amount that exceeds 1% of the annual consolidated sales of such firm, etc.; and
- (4) he/she does not fall under, and has not fallen under in the past ten (10) years, any of the conditions listed below:
 - he/she is a representative or employee of the Company's accounting auditor;
 - he/she serves or has served for the law firm, auditing firm or tax accounting firm, etc., which has or had an advisory contract with the Company;
 - he/she works at any of the major lenders of the Company; or
 - he/she is a major shareholder of the Company holding 10% or more of the Company's issued shares, or works at any of the entities which are major shareholders of the Company, its parent company, subsidiaries or fellow subsidiaries thereof.

Structure for Corporate Governance and Internal Control System

1. Nomination Committee and Compensation Committee

The Company has established a Nomination Committee and a Compensation Committee as voluntary advisory bodies to its Board of Directors. Ensuring that Outside Directors appropriately participate in the nomination and compensation processes not only for Directors, but also executive officers and others who play an important role in the Company's business will ensure transparency and objectivity in management. Both these committees are comprised of a majority of Independent Outside Directors, and are chaired by either of the Independent Outside Directors.

2. Outline



* The number of Directors and Corporate Auditors will be as shown on the above chart assuming that the Proposal 2 and the Proposal 3 above are approved as originally proposed at this Annual Meeting.

Analysis and Evaluation of the Board's Effectiveness as a Whole

The Company has a policy of analyzing and evaluating the Board's effectiveness as a whole (including the voluntary advisory committees (Nomination Committee, Compensation Committee), offsite meetings, etc.) at least once per year.

The summary of the evaluation of effectiveness conducted from October to December 2020 is as follows. (The three most recent previous evaluations were conducted (1) from January to March 2018, (2) from September to November 2018, and (3) from September to December 2019. For more information about the results of previous evaluations of effectiveness, please see the Company's "Corporate Governance Report" dated (1) April 11, 2018, (2) December 20, 2018, and (3) January 17, 2020, respectively.)

1. Method for Analysis and Evaluation

▪ Method and Implementation Structure for Analysis and Evaluation

During the Board meeting held in October 2020, the previous evaluation of effectiveness (from September to December 2019) was reflected on, and it was confirmed that the Board meeting must fulfill important roles and functions including (1) leading growth in the mid to long-term, (2) checking and monitoring that management decision-making and business execution were being conducted appropriately, and (3) personnel matters for the Representative Directors, etc.

Based on that, the method for analysis and evaluation and the questionnaire questions were discussed and finalized at the Board meeting, with consideration for the opinion of outside legal counsel.

The Director in charge of this evaluation of effectiveness was the Chairperson for the Board meetings, and the office in charge was the Board of Directors Office.

The Company provided a questionnaire based on the above finalized content to all its Directors and Corporate Auditors, and based on those responses, the Director in charge held individual meetings with Outside Directors as requested.

Afterwards at the Board meeting in November 2020, in addition to sharing the questionnaire results, each Director raised particular improvement points, and discussions were held evaluating the effectiveness of the Board as a whole and about future issues and measures.

▪ Summary of the Questionnaire Questions (Points for Evaluation of Effectiveness)

There were two main points for this evaluation of the effectiveness of the Board: (1) whether the Board was fulfilling its role and function (stated above), and (2) whether operation of the Board was appropriate. The summary of the questions is as follows.

(1) Whether the Board (and the voluntary advisory committees) were fulfilling their role and function

1. Whether there were discussions for leading growth in the mid to long-term (topics, time, etc.)
2. Whether the Board was fulfilling its function to appropriately check and monitor management decision-making and business execution
(Whether information necessary for decision-making was being considered and discussion was based on deep consideration, and whether the state of progress, future outlook, and handling for previously decided items was being shared at the appropriate time with the Board, etc.)
3. Whether the voluntary advisory committees had contributed to securing objectivity and transparency regarding the nomination and compensation of executives

(2) Whether the operation of the Board was appropriate

1. Board discussions
(Whether the quality, frequency, and depth of discussion was appropriate, and whether the Board meeting was a place for frank comments, questions, and constructive discussion, etc.)
2. Effectiveness of Board meeting improvements based on the previous evaluation of effectiveness
(Whether the following previous initiatives were effective:
 - Having the Executive Directors provide appropriate information, and making it easier to validate rationality by having the management meeting, etc. hold good discussions before presenting a proposal to the Board meeting
 - Ensuring that reports on the status of business execution to the Board consider continuity and the overall picture, and that important aspects are conveyed appropriately to the Board
 - Making use of Board meetings, free discussion (after the Board meetings), and offsite meetings (held twice a year outside the Board meetings with all the Directors and Standing Corporate Auditor in attendance) for exchanging opinions and consultations regarding management overall
 - Implementing multiple other measures for operating meetings to enhance the Board effectiveness
 - Holding meetings between the Outside Directors and Corporate Auditors to exchange information from a compliance and risk perspective)

Evaluation comments were sought through a five-tier rating system and free response. An additional free response section was added for points to evaluate and improve regarding the Board meetings.

2. Summary of the Results of Analysis and Evaluation

This evaluation placed more emphasis on the free response section and discussion in the Board meeting rather than the evaluation marks.

The Company has determined through its analysis and evaluation that the following in particular are contributing to the effectiveness of the Board.

- There has been further energizing of discussions for management leadership
(Substantial discussions for the mid to long-term are progressing, the environment for frank and constructive discussions has been established, the quality and frequency of discussions is increasing, and the exchange of opinions and consultations between Executive and Outside Directors is more vibrant, etc.)
- The checking and monitoring function of the Board meeting is ensured
(Necessary information for decision-making is being provided, reports of business execution status that are not simple number management are being provided, etc.)
- The Board meetings are changing
(The identification of issues and improvement through the evaluation of effectiveness process is functioning, and the Board meetings are speedily and flexibly improving)

The questionnaire and November 2020 Board meeting had multiple opinions that there was scope for further improvement, and the following areas, etc. have been identified for further improvement.

- Analyzing accumulated assets and further clarifying strengths as a company, such as customers and technology, not limited to individual businesses
- Further clarifying the function of the Board meetings and management meeting, and making visible the discussions at the management meeting for the Board meeting

Given the above, in the December 2020 Board meeting the Company decided to pursue multiple initiatives, including the following.

- Ensuring more full discussions at the Board meeting, looking over the whole picture
(making further use of free discussions and offsite meetings, etc. and deliberately securing time)
- Organizing the relationship between the Board meeting and management meeting
(exploring how to update the resolution method for the management meeting, and considering how to provide more information to the Board meeting when opinions are divided in the management meeting prior to an item being presented at the Board meeting, etc.)
- Continuing to implement initiatives for operating meetings to enable the Board to operate effectively

The Company will continue to implement the analysis and evaluation of effectiveness for the Board as a whole, thereby aiming to improve the function of the Board meetings.

(The above content is available in the Company's "Corporate Governance Report" (dated April 1, 2021))

Matters Regarding Shares Held by the Company (Excerpt from the Business Report)

(1) Criteria of and approach to the classification of investment securities

With respect to classification of investment securities held for pure investment purposes and investment securities held for purposes other than pure investment, the Company classifies shares held for the purpose of acquiring gains from stock price fluctuations or dividends as investment securities held for pure investment purposes, and all other shares as investment securities held for purposes other than pure investment.

(2) Investment securities held for purposes other than pure investment

1) Shareholding policy, method of verification of the rationale for shareholdings, and details of verification by the Board of Directors, etc. of the appropriateness of shareholdings in individual issues
The Company's internal rules require Board of Directors resolution or report to the Board in the event the Company acquires shares or other equity interests in another company in excess of a specified amount or voting percentage. In addition, when the Company considers acquiring shares for purposes other than pure investment, it considers the factors below. If such shareholdings are not determined to be meaningful, the Company will not invest.

- business synergy with such other company (the "investment target") and whether the investment will lead to an increase in the Company's corporate value over the medium term;
- whether the investment would adversely affect the financial health of the Company; and
- whether the amount of the investment and its shareholding percentage exceed a level that is reasonably necessary.

For investment securities held for purposes other than pure investment and listed on financial instruments exchanges, the Board of Directors reviews the appropriateness of the shareholding objectives and the benefits and risks versus the capital costs, among other measures, at least annually, with consideration for the factors above. If said review finds that the shareholding is not justified, the Company considers reducing it. The Board of Directors has confirmed the appropriateness of each shareholding individually after such review.

2) Number of issues and carrying amount on consolidated statement of financial position for the fiscal year ended March 31, 2021

Category	Number of issues	Carrying amount on consolidated statement of financial position (Millions of yen)
Unlisted shares	54	1,184
Shares other than unlisted shares	3	110,050

(Issues for which the number of shares increased in the fiscal year under review)

Category	Number of issues	Total acquisition cost related to the increase in the number of shares (Millions of yen)	Reasons for the increase in the number of shares
Unlisted shares	1	101	New investments, etc.
Shares other than unlisted shares*	2	1,302	New investments, etc.

(Note) Shareholdings for one issue among listed shares were sold by the date of this Business Report.

(Issues for which the number of shares decreased in the fiscal year under review)

Category	Number of issues	Total sale value relating to the decrease in the number of shares (Millions of yen)
Unlisted shares	1	8
Shares other than unlisted shares	1	1,160

3) Information on the listed issues held for purposes other than pure investment

Issues	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Purpose of shareholding, quantitative effects of shareholding and reason for increase in number of shares	Whether the issuer holds the Company's shares
	No. of shares	No. of shares		
	Carrying amount on consolidated statement of financial position (Millions of yen)	Carrying amount on consolidated statement of financial position (Millions of yen)		
Nintendo Co., Ltd.	1,759,400	1,759,400	On March 17, 2015, the Company and Nintendo Co., Ltd. entered into a business and capital alliance for the joint development and operation of gaming applications for smart devices and joint development of a new multi-device membership service for the global market. In addition to the business alliance described above, the two companies have entered into a capital alliance in order to create synergies between their businesses and strengthen their relationship in the medium to long term. As described in "1. Matters regarding the current state of the Group, (8) Issues to be addressed", in the Game Business, the Company will bolster its existing top game titles by developing and operating game titles based on alliances with major external partners, and expand titles with an eye to the global market. At the same time, the Company will enhance its lineup of outstanding content and promote efforts toward further growth of existing top titles and continuously create new hit titles.	Yes
	108,749	73,209		
DATA HORIZON CO., LTD.	306,700	—	The Company holds shares of DATA HORIZON CO., LTD., based on the capital and business alliance with said company concluded on August 14, 2020. As described in "1. Matters regarding the current state of the Group, (8) Issues to be addressed," in the Healthcare Business, the Company will work on cooperating with industry players to solve social problems, in addition to providing services and products to promote health and encourage behavior change. Through this capital and business alliance, the Company aims to further advance the business alliance with DATA HORIZON and leverage our strengths. We aim to support health promotion for people by accelerating our health business for local municipalities and health insurance societies. We will also work together on a business to	No
	1,296	—		

Issues	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Purpose of shareholding, quantitative effects of shareholding and reason for increase in number of shares	Whether the issuer holds the Company's shares
	No. of shares	No. of shares		
	Carrying amount on consolidated statement of financial position (Millions of yen)	Carrying amount on consolidated statement of financial position (Millions of yen)		
			make use of data, and significantly contribute to maintaining and improving the quality of medical care.	
giftee, Inc.	—	500,000	The Company held shares of giftee, Inc. for the purpose of researching the providing of e-gifting services in the Japan market, among others, but all shares were sold during the fiscal year ended March 31, 2021.	No
	—	643		

(Note) 1. Information is only shown for issues where the carrying amount on consolidated statement of financial position exceeds 1/100th of the Company's stated capital.

2. "—" indicates no shareholdings for the relevant issue.