

(Translation)

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Corporate Governance

KONAMI HOLDINGS CORPORATION

Last Updated: July 2, 2020
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The corporate governance of KONAMI HOLDINGS CORPORATION (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Views

Konami Group’s corporate goal is to be an enterprise that keeps our stakeholders always looking forward with anticipation as we create and provide our current and future customers with products and services that offer “Valuable Time.” Our fundamental management policy is maintaining a shareholder-focused approach, and sound relationship with involved stakeholders and contributing to the development of a sustainable society as a good corporate citizen. In order to realize open and transparent management, which is essential for holding fast to these fundamental management policies, we promote the management that keeps in mind at all times enhancement of the corporate governance system.

[Reasons for Non-compliance with the Principles of Japan’s Corporate Governance Code] Updated

[Supplementary Principle 4-2-1 Setting Appropriate Proportions of Compensation Linked to Mid- to Long-term Financial Performance and Proportions of Cash and Stock Compensation]

The Company makes decisions regarding compensation of its Directors upon having evaluated the extent to which they have contributed in terms of their accomplishments and management, taking into account their presence or absence of representative authority, position, scope of roles and responsibilities, and full-time or part-time status, and in view of financial performance trends and other such factors. The Company will continue to review matters regarding the linkage of such compensation to mid- to long-term financial performance.

[Supplementary Principle 4-10-1 Establishment of Optional Advisory Committee]

The Company’s Board of Directors consists of eight members, three of whom are Outside Directors who have been designated as Independent Officers as provided for in the regulations of the Tokyo Stock Exchange. Each of the Directors convey their views to the Board of Directors and the respective Directors, and otherwise furnish advice where appropriate, drawing on their ample experience and expertise.

Meanwhile, the Company’s Audit & Supervisory Board consists of five members, four of whom are Outside Audit & Supervisory Board Members who have been designated as Independent Officers as provided for in the regulations of the Tokyo Stock Exchange. The respective Audit & Supervisory Board Members engage in audits regarding the Directors and their business execution, which largely involves attending meetings of the Board of Directors and interviewing the Company’s executives.

Given the involvement and advice appropriately furnished as necessary by the Independent Officers, as detailed above, the Company has not established an optional nomination committee.

The Compensation Advisory Committee, whose membership consists of the Representative Director and others, makes decisions on matters delegated to it by the Board of Directors regarding amounts of compensation for the Directors, within compensation limits as approved by a General Meeting of Shareholders.

[Disclosure Based on the Principles of Japan's Corporate Governance Code] **Updated**

[Principle 1-4 Cross-Shareholdings]

As a matter of basic policy, the Company considers the prospect of holding shares of a business partner upon having deemed that doing so will contribute to increasing mid- to long-term corporate value, particularly with respect to business strategy, and as a consequence of maintaining and strengthening business ties.

In assessing whether or not to hold individual cross-shareholdings, the Board of Directors annually scrutinizes factors that include benefits gained with respect to mid- to long-term economic rationale and business strategies, and as a consequence of maintaining and strengthening business ties.

The Company proceeds to reduce any cross-shareholdings for which it has been deemed that sufficient reason and rationale for maintaining holdings is lacking, upon having considered effects on the market and other such factors.

The Company appropriately determines the advantages and disadvantages of each and every proposal that entails exercising voting rights associated with its shareholdings, from the perspective of whether a proposal will contribute to increasing the mid- to long-term corporate value of the Company and the enterprise concerned, upon having sufficiently paid due regard to factors that include the investee company's business policies and financial performance.

[Principle 1-7 Related Party Transactions]

In accordance with laws and regulations, the Company's Regulations of the Board of Directors stipulate that the Board of Directors is to undertake procedures for gaining approval when business transactions are to be conducted among Directors of the Company.

Moreover, the Company performs checks to determine if any business transactions have taken place involving the Company and its affiliated companies and related parties, which entails requiring annual submission of questionnaires pertaining to parties related to its Directors and Audit & Supervisory Board Members.

[Principle 2-6 Roles of Corporate Pension Funds as Asset Owners]

The Company does not have a corporate pension fund, but has adopted a defined contribution-type corporate pension plan to help employees consistently build up assets. Meanwhile, the Company holds annual follow-up seminars on asset management for its employees, associated with the pension plan.

[Principle 3-1 (i) Company Objectives (Business Principles, etc.), Business Strategies and Business Plans]

The Konami Group's Corporate Goal is available on the corporate website.

<https://www.konami.com/corporate/en/philosophy/>

The Company also discloses its business strategies in its securities reports and business reports.

The Company will continue looking into the possibility of disclosing mid- to long-term quantitative targets, but does not currently provide such information given the likelihood of investors making poor investment decisions if the Company were to release mid- to long-term targets amid a business environment marked by rapid market shifts and substantial volatility.

[Principle 3-1 (ii) Basic Views and Policies on Corporate Governance]

The Konami Group acts to hasten its sustainable development and mid- to long-term gains in corporate value, and otherwise promotes an approach to management that involves continually striving to achieve effective corporate governance in a manner that improves managerial efficiency and ensures sound business practices.

[Principle 3-1 (iii) Policies and Procedures in Determining the Compensation of Senior Management and Directors]

Please refer to "Policy for Determining Compensation Amounts or Calculation Methods Thereof" within "Director Compensation" under section II.1. of this report.

[Principle 3-1 (iv) Policies and Procedures in Appointing and Dismissing Senior Management and Nominating Director and Audit & Supervisory Board Member Candidates]

Matters involving appointment and nomination of the Company's senior management and its Director and Audit & Supervisory Board Member candidates are determined by resolution of the Board of Directors, taking into account the notion of striking a balance among factors that include suitable knowledge, experience and proficiencies of the respective candidates.

Moreover, the Company's nomination of Director candidates involves comprehensively evaluating and judging such individuals with respect to factors above and beyond their experience, insights and expertise. For instance, the Company places consideration on whether such individuals meet the requirements of worldwide regulations governing the gaming business, particularly those of U.S. state of Nevada where the Company has licenses

regarding manufacture of gaming devices. Meanwhile, the Company nominates Audit & Supervisory Board Member candidates upon gaining the consent of its Audit & Supervisory Board.

The Company's Board of Directors makes decisions on matters involving senior management dismissal pursuant to provisions of the Companies Act, upon comprehensive review of the considerations listed below. Accordingly, the Company may move to dismiss a member of senior management under situations involving:

- 1) occurrence of a serious scandal, particularly involving violation of laws, regulations or the Articles of Incorporation,
- 2) circumstances that significantly impede the senior management member in the performance of his or her duties,
- 3) a situation whereby the senior management member is found to be substantially lacking particularly with respect to his or her qualities and managerial competency as stipulated in the policy for appointing senior management,
- 4) a situation whereby the senior management member has been deemed to have inflicted substantial damage on the corporate financial performance, or
- 5) a situation whereby the senior management member has been deemed to have substantially impeded business execution.

[Principle 3-1 (v) Explanation on Individual Appointments, Dismissals, and Nominations When Appointing or Dismissing Senior Management, or When Nominating Director and Audit & Supervisory Board Member Candidates]

For details on rationale for appointing individual Outside Officers, refer to “[Directors], Outside Directors’ Relationship with the Company (2)” and “[Audit & Supervisory Board Members], Outside Audit & Supervisory Board Members’ Relationship with the Company (2)” under section II.1. of this report.

The Company also presents details on personal histories on its corporate website and in its notices of convocation of the General Meeting of Shareholders with respect to appointment and nomination of its Director and Audit & Supervisory Board Member candidates.

[Supplementary Principle 4-1-1 Decisions on Scope of Authority to Be Delegated to Management]

The Company has adopted a pure holding company structure, and distinctly segregates the functions of business management and business execution accordingly, with the Board of Directors taking on the roles of deciding business principles for Group management and supervising business execution. The Company aims to maximize the corporate value of the Group by increasing speed of management and optimally allocating business resources.

The Company has established a framework that enables swift managerial decisions, whereby matters to be resolved by the Board of Directors are governed by Agenda Guidelines of the Board of Director as stipulated in the Regulations of the Board of Directors, and other matters are delegated to the Representative Director and other Executive Directors.

[Principle 4-9 Independence Standards and Qualification for Independent Outside Directors]

The Criteria for Independence of Outside Officers established by the Company is as described in II.1. “Matters relating to Independent Officers” in this report.

[Supplementary Principle 4-11-1 Company’s View on the Balance Between Knowledge, Experience and Proficiencies of the Board of Directors as a Whole, and Also on Diversity and Size]

The Company’s Board of Directors is to consist of no more than 12 Directors and no more than 5 Audit & Supervisory Board Members, as stipulated in the Articles of Incorporation. The basic approach involves having the Board of Directors made up of members deemed appropriate, taking into account the notion of striking a balance among attributes that include knowledge, experience and proficiencies necessary for managing the Company.

Moreover, the Company’s appointment of Directors involves comprehensively evaluating and judging such individuals with respect to factors above and beyond their experience, insights and expertise. For instance, the Company places consideration on whether such individuals meet the requirements of worldwide regulations governing the gaming business, particularly those of U.S. state of Nevada where the Company has licenses regarding manufacture of gaming devices.

In addition to requirements pertaining to outside status stipulated under the Companies Act, Outside Directors must also align with qualifications for Outside Officer as provided for in the regulations of the Tokyo Stock Exchange, and otherwise fulfill the Company’s Criteria for Independence of Outside Officers.

[Supplementary Principle 4-11-2 Positions of Directors and Audit & Supervisory Board Members Who Also Serve as Officers at Other Listed Companies]

The Company's Directors and Audit & Supervisory Board Members, including its Outside Directors and Outside Audit & Supervisory Board Members, are to devote the time and effort necessary to appropriately fulfill their roles and responsibilities with respect to Director and Audit & Supervisory Board Member duties. Meanwhile, assignments to concurrent positions are kept within reason.

The latest information on such concurrent assignments is disclosed annually in the Company's notices of convocation of the General Meeting of Shareholders and its securities reports.

[Supplementary Principle 4-11-3 Analysis and Evaluation Regarding the Overall Effectiveness of the Board of Directors, and Summary of Results Thereof]

The Company analyzes and evaluates the effectiveness of its Board of Directors on the basis of self-evaluations provided by the respective Directors, and accordingly applies such analysis and evaluation to operations of the Board of Directors.

The Company will consider the prospect of making future improvements toward enhancing the effectiveness of its Board of Directors, based on qualitative opinions and other factors.

[Supplementary Principle 4-14-2 Training Policy for Directors and Audit & Supervisory Board Members]

The Company aims to ensure that its Directors and Audit & Supervisory Board Members are able to appropriately take on roles and responsibilities expected of them in their capacity as a crucial element of a listed company's governance body. To such ends, the Company makes recommendations to its Directors and Audit & Supervisory Board Members, particularly with respect to their attending seminars outside the Company with the aim of gaining requisite knowledge, joining external organizations, and purchasing relevant books. The Company accordingly covers costs in that regard, upon concluding the appropriate in-house procedures.

The Company also actively provides its Outside Directors and Outside Audit & Supervisory Board Members with opportunities to further their understanding of the business in which the Konami Group engages. This involves setting up opportunities, as appropriate, for them to visit the Group's business offices and forums such as exhibitions pertaining to related business.

[Principle 5-1 Policy for Constructive Dialogue with Shareholders]

The Company promotes constructive dialogue with its shareholders through efforts spearheaded by the Representative Director, President and the Investor Relations Department. This involves enhancing disclosure of information on the Company's website, holding quarterly earnings results briefings for institutional investors, holding one-on-one meetings and conducting telephone interviews.

Moreover, the Company has established the Investor Relations Policy and disclosed the Policy on the Company's website.

<https://www.konami.com/ir/en/policy/>

2. Capital Structure

Foreign Shareholding Ratio Updated	30% or more
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[Status of Major Shareholders] Updated

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	24,800,100	18.62
Kozuki Foundation	17,100,000	12.84
KOZUKI HOLDING B.V.	15,700,000	11.79
Japan Trustee Services Bank, Ltd. (Trust Account)	13,572,400	10.19
Kozuki Capital Corporation	7,048,596	5.29
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	2,845,600	2.14

Japan Trustee Services Bank, Ltd. (Trust Account 7)	1,744,800	1.31
JP MORGAN CHASE BANK 385151	1,638,394	1.23
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,454,500	1.09
STATE STREET BANK WEST CLIENT – TREATY 505234	1,358,099	1.02

Controlling Shareholder (except for Parent)	None
Parent (Listed Stock Market)	None

Supplementary Explanation **Updated**

In a report of possession of large volume provided for public inspection on January 21, 2019, it is stated that as of January 14, 2019, Mitsubishi UFJ Trust and Banking Corporation and its two joint holders own the following shares. However, as the Company cannot confirm the number of such shares substantially owned as of March 31, 2020, the details are not included in the status of major shareholders in the above table. Details included in the report of possession of large volume are described below.

[Name (number of shares owned and ownership percentage to the total number of issued shares)]
Mitsubishi UFJ Trust and Banking Corporation (3,076 thousand shares, 2.14%)
Mitsubishi UFJ Kokusai Asset Management Co., Ltd. (3,549 thousand shares, 2.47%)
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (608 thousand shares, 0.42%)

In a report of possession of large volume (change report pertaining thereto) provided for public inspection on April 19, 2019, it is stated that as of April 15, 2019, Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holder own the following shares. However, as the Company cannot confirm the number of such shares substantially owned as of March 31, 2020, the details are not included in the status of major shareholders in the above table.

Details included in the report of possession of large volume are described below.

[Name (number of shares owned and ownership percentage to the total number of issued shares)]
Sumitomo Mitsui Trust Asset Management Co., Ltd. (3,505 thousand shares, 2.44%)
Nikko Asset Management Co., Ltd. (7,062 thousand shares, 4.92%)

In a report of possession of large volume (change report pertaining thereto) provided for public inspection on May 13, 2019, it is stated that as of April 30, 2019, Nomura Securities Co., Ltd. and its two joint holders own the following shares. However, as the Company cannot confirm the number of such shares substantially owned as of March 31, 2020, the details are not included in the status of major shareholders in the above table.

Details included in the report of possession of large volume are described below.

[Name (number of shares owned and ownership percentage to the total number of issued shares)]
Nomura Securities Co., Ltd. (457 thousand shares, 0.32%)
NOMURA INTERNATIONAL PLC (3 thousand shares, 0.00%)
Nomura Asset Management Co., Ltd. (13,182 thousand shares, 9.19%)

In a report of possession of large volume (change report pertaining thereto) provided for public inspection on March 19, 2020, it is stated that as of March 13, 2020, BlackRock Japan Co., Ltd. and its five joint holders own the following shares. However, as the Company cannot confirm the number of such shares substantially owned as of March 31, 2020, the details are not included in the status of major shareholders in the above table.

Details included in the report of possession of large volume are described below.

[Name (number of shares owned and ownership percentage to the total number of issued shares)]
 BlackRock Japan Co., Ltd. (1,998 thousand shares, 1.39%)
 BlackRock Fund Managers Limited (158 thousand shares, 0.11%)
 BlackRock Asset Management Ireland Limited (430 thousand shares, 0.30%)
 BlackRock Fund Advisors (1,300 thousand shares, 0.91%)
 BlackRock Institutional Trust Company, N.A. (1,371 thousand shares, 0.96%)
 BlackRock Investment Management (UK) Limited (479 thousand shares, 0.33%)

3. Corporate Attributes

Listed Stock Market and Market Section	First Section of Tokyo Stock Exchange
Fiscal Year-End	March
Type of Business	Information & Communication
Number of Employees (Consolidated) at End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	From 10 to less than 50

4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Special Circumstances Which May Have Material Impact on Corporate Governance

KONAMI HOLDINGS CORPORATION became the first Japanese company to obtain a license for manufacture and sales of gaming devices in Nevada, U.S.A. in January 2000, and it has since acquired licenses in other major gaming markets around the world, including those in North America, Australia and Asia. Licensing for the manufacture and sales of gaming devices is consistently subject to stringent review, particularly when it comes to ensuring compliance. As such, the Company must engage in efforts to thoroughly communicate the importance of compliance to all Konami Group employees.

Going forward, the Company will continue to promote a management approach underpinned by awareness of global standards, in order to gain the trust of each and every stakeholder.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management

1. Organizational Composition and Operation

Organization Form	Company with audit & supervisory board
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman (excluding the case where the person concurrently serves as President)
Number of Directors Updated	8
Appointment of Outside Directors	Appointed
Number of Outside Directors	3
Number of Independent Officers Designated from among Outside Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Akira Gemma	From another company												
Kaori Yamaguchi	Academic												
Kimito Kubo	Other												

* Categories for "Relationship with the Company"

“○” when the director presently falls or has recently fallen under the category;

“△” when the director fell under the category in the past;

“●” when a close relative of the director presently falls or has recently fallen under the category; and

“▲” when a close relative of the director fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

b. Non-executive director or executive of the parent of the Company

c. Executive of a fellow subsidiary of the Company

d. Party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)

i. Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)

j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)

k. Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Akira Gemma	○	—	Mr. Gemma has ample experience and exceptional insight, having acted as Representative Director, President and Chairman of Shiseido Company, Limited and serving as Vice Chairman of the Japan Association of Corporate Directors. Meanwhile, acting as an Outside Director of the Company, he furnishes instrumental opinions from a neutral perspective to the Board of Directors. As such, the Company accordingly deems him suitable for appointment as an Independent Officer.
Kaori Yamaguchi	○	—	As a pioneer in the world of women's judo, Ms. Yamaguchi has accomplished a multitude of achievements in past international competitions. She currently teaches at a national university and acts as an advisor in the field of sports and education. Meanwhile, the Company expects that she will be capable of furnishing instrumental opinions from a neutral perspective to the Company's Board of Directors which requires more diverse points of view. As such, the Company accordingly deems her suitable for appointment as an Independent Officer.
Kimito Kubo	○	—	Mr. Kubo has held important posts in the Ministry of Education, Culture, Sports, Science and Technology (MEXT), and currently serves as a Chairman of an educational corporation. Meanwhile, he has ample experience and knowledge related to education, culture, and sports, and is likely to substantially facilitate management of the Company's Board of Directors which requires more diverse points of view. As such, the Company accordingly deems him suitable for appointment as an Independent Officer.

[Voluntary Committees]

Voluntary Establishment of Committee(s) Equivalent to Nominating Committee or Compensation Committee	Established
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Committee's Name, Composition, and Chairperson's Attributes

	Committee Equivalent to Nominating Committee	Committee Equivalent to Compensation Committee
Committee's Name	—	Compensation Advisory Committee
Total Committee Members	—	4
Full-time Members	—	0
Inside Directors	—	3
Outside Directors	—	0
Outside Experts	—	0
Other	—	1
Chairperson	—	Inside Director

Supplementary Explanation **Updated**

Matters involving compensation of Directors are decided by the Compensation Advisory Committee as delegated to it by the Board of Directors. This is chaired by Representative Director, President, and involves the General Manager for the Human Resources Division as an additional member.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	5

Cooperation among Audit & Supervisory Board Members, Accounting Auditor and Internal Audit Department

In addition to its regularly scheduled meetings pertaining to accounting audit reports and other such matters, the Company also frequently arranges separate meetings held to consider various topics encompassing everything from audit contracts concluded with the accounting auditor and overall accounting audits, to approaches for handling individual matters.

The Audit & Supervisory Board and its members closely coordinate efforts with staff members of the internal audit departments, particularly in handling tasks requiring cooperation, which involves maintaining daily communications with the internal audit departments regarding development and operations of internal control systems.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	4
Number of Independent Officers Designated from among Outside Audit & Supervisory Board Members	4

Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Minoru Maruoka	From another company													
Takayoshi Yashiro	Other													
Chikara Kawakita	Other													
Hideo Shimada	From another company							△						

* Categories for "Relationship with the Company"

“○” when the audit & supervisory board member presently falls or has recently fallen under the category;

“△” when the audit & supervisory board member fell under the category in the past;

“●” when a close relative of the audit & supervisory board member presently falls or has recently fallen under the category; and

“▲” when a close relative of the audit & supervisory board member fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiary

c. Non-executive director or executive of the parent of the Company

d. Audit & supervisory board member of the parent of the Company

e. Executive of a fellow subsidiary of the Company

f. Party whose major client or supplier is the Company or an executive thereof

g. Major client or supplier of the Company or an executive thereof

h. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an audit & supervisory board member

i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

j. Executive of a client or supplier of the Company (which does not correspond to any of f., g., or h.) (the audit & supervisory board member himself/herself only)

k. Executive of a corporation to which outside officers are mutually appointed (the audit & supervisory board member himself/herself only)

l. Executive of a corporation that receives a donation from the Company (the audit & supervisory board member himself/herself only)

m. Other

Outside Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Minoru Maruoka	○	—	Mr. Maruoka has ample experience and achievements in managing a finance & accounting division of a global company, and the Company expects that he will be capable of strengthening its corporate governance in carrying out audits from an objective point of view. As such, the Company accordingly deems him suitable for appointment as an Independent Officer.

Takayoshi Yashiro	○	—	Mr. Yashiro has served as a Superintendent General, etc. and has ample experience and exceptional insight required for the auditing work. Meanwhile, the Company expects that he will be capable of strengthening its corporate governance through fair, equitable and accurate auditing, and accordingly deems him suitable for appointment as an Independent Officer.
Chikara Kawakita	○	—	Mr. Kawakita has a long track record having served consecutively in an important position in the Ministry of Finance and as a Commissioner of the National Tax Agency and has ample experience and exceptional insight required for the auditing work. Meanwhile, the Company expects that he will be capable of strengthening its corporate governance through fair, equitable and accurate auditing, and accordingly deems him suitable for appointment as an Independent Officer.
Hideo Shimada	○	Mr. Shimada had been a person executing business in Sumitomo Mitsui Banking Corporation, a major business partner of the Company, until April 2011.	The Company deems Mr. Shimada suitable for appointment as an Independent Officer, having concluded that his experience and exceptional insight working over many years in a financial institution can both be applied to the Company's auditing.

[Independent Officers]

Number of Independent Officers	7
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Matters relating to Independent Officers

The Company has appointed all of the Outside Officers as Independent Officers as provided for in the regulations of the Tokyo Stock Exchange and notified them to the Exchange.

Nomination as candidate for Outside Director and Outside Audit & Supervisory Board Member is contingent on whether or not a potential nominee meets the Criteria for Independence of Outside Officers as stipulated by the Company.

<Criteria for Independence of Outside Officers>

The Company deems an Outside Director or Outside Audit & Supervisory Board Member ("Outside Officer") as having independence upon having made the determination that he or she does not fall under any of the items listed below, as a result of the Company having investigated his or her background to reasonable extent.

1. A person who falls or has fallen under the following item at present or in the past ten years
 - (1) A person who executes business of the Company and its consolidated subsidiary (the "Konami Group") (Note 1)
2. A person who falls or has fallen under any of the following items at present or in the past five years
 - (1) A major shareholder (Note 2) of the Konami Group or an entity whose major shareholder is the Konami Group, or an executive thereof

- (2) A client or supplier, or an executive thereof, whose business transactions with the Konami Group over a single fiscal year exceed 2% of the consolidated revenue of either the Konami Group or such client or supplier
- (3) A lender, or an executive thereof, from whom the Konami Group's borrowings exceed 2% of the Company's total consolidated assets
- 3. A person who falls or has fallen under any of the following items at present or in the past three years
 - (1) Accounting Auditor of the Konami Group or an employee, etc. thereof
 - (2) A person who has received compensation of over 10 million yen annually excluding compensation for Directors and Audit & Supervisory Board Members from the Konami Group or a person affiliated with an organization that has received compensation exceeding 2% of consolidated revenue of the Konami Group
 - (3) A person who has received donations from the Konami Group exceeding 2% of the recipient's total annual revenue, or a person affiliated with an organization that has received such donations
 - (4) An executive of a company that accepts assignments of directors from the Konami Group, or an executive of a parent company, subsidiary, etc. of such a company
- 4. A spouse or relative within the second degree of kinship of a person described in 1, 2 and 3 above
- 5. A person who otherwise poses potential for any substantive conflict of interest

(Note 1) This refers to a currently serving executive director, executive officer, corporate officer, or other similar person or employee (an "executive"), or an executive who has belonged to the Konami Group in the past. Outside Audit & Supervisory Board Members include non-executive directors.

(Note 2) A shareholder who holds 10% or more of the total number of voting rights

[Incentives]

Implementation of Measures to Provide Incentives to Directors	N/A
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Supplementary Explanation

The compensation system reflects results of the fiscal period.

Recipients of Share Options	
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Supplementary Explanation

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[Director Compensation]

Disclosure of Individual Directors' Compensation	N/A
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Supplementary Explanation

The Company discloses the sum total Compensation paid to all Directors.

Policy for Determining Compensation Amounts or Calculation Methods Thereof	Established
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Disclosure of Policy for Determining Compensation Amounts or Calculation Methods Thereof

After the maximum total compensation for Directors is determined by resolution of the General Meeting of Shareholders, the Compensation Advisory Committee then determines individual amounts of compensation within that maximum, as delegated to it by the Board of Directors. Amounts of compensation for individual

Directors are decided upon having evaluated the extent to which they have contributed in terms of their accomplishments and management, taking into account their presence or absence of representative authority, position, scope of roles and responsibilities, and full-time or part-time status, and in view of financial performance trends and other such factors.

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]

The Company appoints a full-time person in charge who furnishes in-house and industry information once per week and otherwise helps distribute information.

[Status of Persons Who Have Retired from a Position Such as Representative Director and President]

Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company

Name	Title/Position	Responsibilities	Working Form and Conditions (Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
—	—	—	—	—	—

Total Number of Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company	0
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Other Matters

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2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Compensation Decisions (Overview of Current Corporate Governance System) Updated

The Company transitioned to a holding company structure in March 2006. Accordingly, the functions of business management and business execution are distinctly segregated, with the Board of Directors taking on the roles of deciding business principles and strategy for Group management, supervising business execution, and making decisions on important matters. The Company aims to maximize the corporate value of the Group by accordingly increasing speed of management and optimally allocating business resources.

The Company's Board of Directors consists of eight members, three of whom are Outside Directors who have been designated as Independent Officers as provided for in the regulations of the Tokyo Stock Exchange. The Company deems that the three Outside Directors who are also deemed Independent Officers do not pose potential for conflict of interest with general shareholders. As such, they are capable of making appropriate judgments with respect to making decisions on important matters in the Board of Directors, in conjunction with the other five Directors.

Meanwhile, the Company's Audit & Supervisory Board consists of five members, four of whom are Outside Audit & Supervisory Board Members who have been designated as Independent Officers as provided for in the regulations of the Tokyo Stock Exchange. The respective Audit & Supervisory Board Members engage in audits regarding Directors' business execution, which largely involves attending meetings of the Board of Directors and interviewing the Company's executives.

The Company has entered into a limited liability contract with Outside Officers with respect to their liabilities provided for in Article 423, Paragraph 1 of the Companies Act. Under this contract, the liabilities of Outside Officers shall be limited to the aggregate total of the amounts stipulated in each item of Article 425, Paragraph 1 of the said Act.

Moreover, the Company has established the Compliance Committee, the Risk Management Committee, and the CSR Committee. The Compliance Committee acts as a body that strives to ensure thorough legal and regulatory compliance across all of the Company's activities and accordingly implements the Konami Group's

compliance controls. The Risk Management Committee acts as a body that centrally identifies and appropriately addresses risks that could potentially have a material impact on the Company and the Konami Group. The CSR Committee acts as a body that actively promotes corporate social responsibility initiatives through the Company's core businesses, leveraging strengths of the Konami Group.

3. Reasons for Adoption of Current Corporate Governance System

The Company believes it can ensure appropriate business operations and managerial transparency by adopting the framework described previously under section "2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Compensation Decisions."

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Energize General Shareholders Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Allowing Electronic or Magnetic Exercise of Voting Rights	The Company now allows for electronic or magnetic exercise of voting rights via personal computer, smartphone or other mobile phone.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company participates in the electronic voting platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English (Translated Fully or Partially)	The Company prepares a full English-language version of the convocation notice.
Other	The Company and Tokyo Stock Exchange preliminarily release convocation notices via their websites, prior to sending out such notices.

2. IR Activities Updated

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	Posting the Investor Relations Policy on our website	
Regular Investor Briefings for Analysts and Institutional Investors	Held once per quarter	Available
Posting of IR Materials on Website	https://www.konami.com/ir/en/ (Group Report, Earnings Releases, Financial Results Presentation Materials, Stock Price, etc.)	
Establishment of Department and/or Manager in Charge of IR	Investor Relations Department	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	One of the Company's business principles is to "maintain a sound relationship with all stakeholders and contribute to development of a sustainable society as a good corporate citizen," which is incorporated into the KONAMI GROUP CORPORATE CONDUCT CHARTER and the KONAMI GROUP CODE OF BUSINESS CONDUCT AND ETHICS.
Implementation of Environmental Activities, CSR Activities, etc.	The Company actively engages in CSR activities on a Group-wide basis, and accordingly posts details of such activities on the Company's website. For details, please refer to the URL below. https://www.konami.com/socialsupport/en/

Formulation of Policies for Information Provision to Stakeholders	The Company conducts fair disclosure, particularly with respect to its Investor Relations Policy. In addition to statutory disclosure, the Company reinforces the fairness and timeliness of its disclosure by enhancing the content of its website disclosure.
Other	The Konami Group hires employees representing diverse nationalities, genders, ages, and cultures, and promotes those deemed qualified from the perspective of their achievements, proficiencies and other qualities to managerial positions. Meanwhile, in terms of empowerment of the female workforce, the Company has appointed one female Director, and otherwise enables many female managers to play active roles in key divisions of the respective group companies.

IV. Matters Related to Internal Control System

1. Basic Views on Internal Control System and Progress of System Development

Key aspects of the Company's internal control and risk management systems are described below.

- (1) A system to ensure that the duties of officers and employees of the corporate group comprising KONAMI HOLDINGS CORPORATION and its subsidiaries (the "Konami Group") are executed in conformance with laws and ordinances, as well as the Articles of Incorporation
 - (i) To ensure that corporate activities are pursued in conformance with high ethical standards, we establish the KONAMI GROUP CORPORATE CONDUCT CHARTER. Moreover, as specific guidelines for the code, we establish the KONAMI GROUP CODE OF BUSINESS CONDUCT AND ETHICS, by developing the "Konami Group Compliance Policy" thereby demonstrating the importance of complying with laws and ordinances. In addition, the management ensures that it rigorously communicates the provisions of the guidelines to officers and employees of the Konami Group.
 - (ii) The Company has in place the Compliance Committee as a body to enhance the effectiveness of compliance by officers and employees of the Konami Group.
 - (iii) The Company has in place a whistleblowing system as a function to curb illegal acts, and strives to prevent improper incidents from occurring.
 - (iv) The Company strives to ensure that officers and employees of the Konami Group do not have any involvement with anti-social forces and organizations, and that any unfair demand by such is handled resolutely in cooperation with the police and/or other authorities.
- (2) System concerning the retention and control of information on the execution of duties within the Konami Group
 - (i) Information on the execution of duties by the Company's Directors is retained and controlled appropriately by developing rules and regulations on information management, while specifying significant documents and defining the form of their retention.
 - (ii) Regarding information on the execution of duties by the Company's subsidiaries, the Company has "Related Companies Control Regulations" in place, which provide that individual subsidiaries shall report significant business management information and other necessary information to the Company.
- (3) Regulations and other systems for managing risk of losses for the Konami Group
 - (i) The Company develops the "Konami Group Risk Management Rules" to avoid risks and minimize losses for the entire Group.
 - (ii) The Company and its key subsidiaries have a Risk Management Committee in place as a body to centrally identify and appropriately address risks.
- (4) System to ensure the efficient execution of duties by Directors of the Konami Group

To define the duties and authority of Directors in different divisions, the Company has in place regulations on the segregation of duties and authority, and a system conforming to the regulations is also established at individual subsidiaries.

- (5) System to secure the appropriateness of the Konami Group's operations
- (i) To ensure that individual group companies' business operations are performed in an appropriate and harmonious manner, in its capacity as a holding company, the Company administers the entire Group's business operations by adequately exercising voting rights.
 - (ii) All Konami Group companies implement internal control system development, risk control, and compliance in a consistent manner, seeking to build a unified group management structure.
 - (iii) The Company's Audit & Supervisory Board Members seek to build a group audit platform by periodically holding a "Group Audit & Supervisory Board Meeting" with audit & supervisory board members of individual subsidiaries to appropriately support necessary collaboration.
- (6) Matters related to an employee who is requested by an Audit & Supervisory Board Member to serve as an employee charged with assisting his/her duties ("Assistant Employee")

If an Audit & Supervisory Board Member requests the assignment of an Assistant Employee, the management assigns an employee equipped with sufficient specialized skills to provide assistance such as a member of the Internal Control Office.

- (7) Matters related to securing the independence of an Assistant Employee from the Company's Directors and the effectiveness of the Audit & Supervisory Board Member's instructions to an Assistant Employee
- (i) An Audit & Supervisory Board Member may express an opinion on the selection and staff evaluation of an Assistant Employee to be assigned.
 - (ii) An Assistant Employee assigned shall perform assistance duties under the instructions and orders of the Audit & Supervisory Board Member without receiving directions from any Director.

- (8) System for reporting to Audit & Supervisory Board Members

- (i) The Konami Group shall establish standards for determining matters required to be reported to the Company's Audit & Supervisory Board Members by its officers and employees, and the whistleblowing system, among others, shall be used to directly report to the Audit & Supervisory Board Members any significant matter that may affect the Group's business operations and financial performance.
- (ii) Pursuant to laws and ordinances and its internal regulations, the Konami Group preserves the confidentiality of any information provided by any of its officers and employees to Audit & Supervisory Board Members through the whistleblowing system, and forbids the informer from being subjected to detrimental treatment.

- (9) Matters concerning the policy on advance payment and reimbursement procedures for expenses arising from the execution of duties by the Audit & Supervisory Board Members, as well as the processing of other expenses or obligations that arise in the execution of duties

- (i) A budget is set for Audit & Supervisory Board Members to execute their duties on an annual basis.
- (ii) If, in relation to the execution of duties, an Audit & Supervisory Board Member requests advance payment of expenses pursuant to Article 388 of the Companies Act, the expenses or obligation are processed promptly with the exception of cases where it is not deemed necessary for the execution of duties.

- (10) Other systems to ensure that audits of Audit & Supervisory Board Members are conducted effectively

An Audit & Supervisory Board Member, if deeming it necessary for the execution of duties, may request experts such as lawyer and Certified Public Account to provide opinions and advice.

2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts

The KONAMI GROUP CORPORATE CONDUCT CHARTER specifies norms for ensuring legal and regulatory compliance and for engaging in ethical business practices, and the KONAMI GROUP CODE OF BUSINESS CONDUCT AND ETHICS stipulates specific initiatives for achieving compliance and rejecting involvement with anti-social forces. The Company thoroughly communicates such requirements to all officers and employees of the Konami Group.

Moreover, should the Company become subject to pressure from anti-social forces, such matters are to be reported pursuant to the Konami Group Risk Management Rules and the Risk Management Committee will spearhead efforts to appropriately address the situation.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted
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Supplementary Explanation

2. Other Matters Concerning Corporate Governance System

The overview of the Company's timely disclosure system is described below.

Under the KONAMI GROUP CODE OF BUSINESS CONDUCT AND ETHICS, which applies to all Konami Group officers and employees, the Company stipulates its basic policy of disclosing information to investors in a timely and appropriate manner.

Moreover, when situations involving significant matters and decisions in that regard arise, Directors in charge or General Managers are to refer and accordingly report on the matter to the Board of Directors or other such forum.

The person responsible for information management promptly registers with the Timely Disclosure Network (TDnet) system operated by the Tokyo Stock Exchange when the rules for timely disclosure stipulated by the Stock Exchange are applicable to any such matter, and he or she also endeavors to enhance information disclosure in terms of fairness and timeliness by posting information to the Company's website.

