

**Directors and Board of Directors****Board of Directors Comprised of Ten Directors, including Two External Directors**

To enhance the transparency of the Board of Directors and further strengthen management structure, the Board of Directors is comprised of 10 directors, including two external directors, and discusses and makes decisions on important items.

Board of Directors meetings are attended by all corporate auditors, who have different duties and monitor management from their own unique perspectives.

**Corporate Officers and the Executive Committee****Accelerating Decision Making through Delegation of Authority**

According to changing around the business environment, OLC Group has introduced the Corporate Officer System to accelerate decision making by promoting the delegation of authority to corporate officers.

The Board of Directors delegates authority to the Executive Committee comprised of standing directors, which discusses, decides and reports on important items (excluding items requiring a Board of Directors resolution).

**Corporate Auditors and the Board of Corporate Auditors****Four Corporate Auditors, including Three External Corporate Auditors**

The Board of Corporate Auditors is comprised of four corporate auditors, of whom three are external corporate auditors, and activities include listening to reports from directors, officers and employees and viewing important documents, while discussing the status of deliberation at important meetings, audit results and other matters among the corporate auditors. The two standing corporate auditors attend meetings of the Board of Directors, the Executive Committee and other committees to monitor and gather information.

Furthermore, to assist the corporate auditors in their duties, a specialized team has been assembled. The effectiveness of corporate auditing is also enhanced through cooperation between the standing corporate auditors, Internal Auditing Department and independent accounting auditors.

**Number of Committee Meetings in the Fiscal Year Ended March 31, 2020**

Board of Directors meetings	10	*Held monthly in principle
Board of Corporate Auditors meetings	12	*Held monthly in principle
Executive Committee meetings	22	*Held twice monthly in principle

**Nomination / Remuneration Committee**

A voluntary Nomination / Remuneration Committee, which includes 50% of independent external directors and is chaired by the CEO, has been established as an advisory body to the Board of Directors. The goal is to enhance the independence and objectivity of the functions of the Board of Directors related to director nomination, remuneration, and other such matters. The committee deliberates on director nominations and remuneration, and then reports to the Board of Directors. Decisions on individual remuneration amounts for directors are entrusted to the committee by the Board of Directors.

**Remuneration Paid to Directors and Corporate Auditors and Audit Remuneration**

In the fiscal year ended March 31, 2020, remuneration paid to directors and corporate auditors and remuneration paid to independent accounting auditors (remuneration for services prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Law of Japan and remuneration for other services) was as follows:

**Remuneration Paid to Directors and Corporate Auditors**  
(Fiscal year ended March 31, 2020) (Millions of yen)

	Recipients	Amount
Remuneration paid to directors	12	461
Remuneration paid to corporate auditors	4	93
Remuneration paid to external directors and corporate auditors	5	85

Note 1: The above includes two directors who completed their terms as of the end of the 59th General Meeting of Shareholders held on June 27, 2019.

Note 2: Employee wages are not paid to directors who work concurrently as employees of the Company.

Note 3: The Company has abolished bonuses and such bonuses are not included in remuneration paid to directors.

Note 4: Of the above, the amounts of expenses for restricted stock remuneration plan during the reporting period (10 Directors excluded external directors; total ¥20 million) is included.

**Audit Remuneration** (Fiscal year ended March 31, 2020) (Millions of yen)

	Amount
Remuneration based on audit certification	77

Note: The Company's auditing contract with the independent accounting auditors does not clearly differentiate remuneration for auditing as based on the Companies Act or the Financial Instruments and Exchange Law. Because the amounts cannot be practically differentiated, remuneration for the period is included in the total.

**Policy Concerning Decisions on Amounts of Remuneration Paid to Directors and Corporate Auditors**

Decisions on compensation of the Company's directors are entrusted to the Nomination / Remuneration Committee by the Board of Directors and are made within the limits determined by resolution at the General Meeting of Shareholders. Cash and stock remuneration, as an incentive to drive sustainable growth, are provided after assessing the achievement of management targets and individual contributions to the Company and the

achievement of those targets.

The upper limit for cash remuneration was set at ¥80 million (not including the employee portion) for 25 directors approved at the General Meeting of Shareholders held on June 29, 1999, and the upper limit for stock remuneration was set at ¥100 million or 10,000 shares per year for eight directors excluding external directors approved at the General Meeting of Shareholders held on June 28, 2018. The decision on the amount of remuneration for directors in the fiscal year under review was entrusted to the Representative Director and Chairman by resolution of the Board of Directors and has been made in light of the above considerations. Decisions in the future on individual remuneration amounts for directors will be made by the Nomination / Remuneration Committee.

Additionally, remuneration for corporate auditors is determined in cooperation with the Board of Corporate Auditors within the limits decided at the General Meeting of Shareholders. The upper limit for corporate auditor remuneration was set at ¥8 million yen for four corporate auditors approved at the General Meeting of Shareholders held on June 29, 2005. Remuneration for corporate auditors in the fiscal year under review has been determined with the cooperation of the Board of Corporate Auditors.

Note: The number of directors and corporate auditors stated is the number at the time of the resolution at the General Meeting of Shareholders.

**Cross-shareholdings****Basic Policy and Method of Verification**

The Company believes in the need for long-term and amicable relationships with companies related to its business to drive

**Cross-shareholding Status**

■ Equity holdings other than those held solely for the purpose of investment and amount shown on the balance sheet

Shareholdings...Unlisted shares: 11 companies Listed shares: 15 companies

Sum of amount shown on balance sheet...Unlisted shares: ¥1,009 million Listed shares: ¥22,244 million

■ Equity holding for specified purposes

Of equity holdings other than those held solely for the purpose of investment, we hold listed shares in the following companies as of the fiscal year ended March 31, 2020.

Companies	Balance sheet amount (millions of yen) (Number of shares)		Purpose of holding, the quantified effect of holding and the reason for increasing of the number of shareholdings	Shareholdings for the Company's share*1
	Current fiscal period	Previous fiscal period		
Central Japan Railway Company	6,997 (404,000)	10,386 (404,000)	The main purpose of this shareholding is to strengthen ties with the sponsor company and increase customers in the Theme Park business. Although it is difficult to quantify the effect of the shareholding, the Board of Directors examines its viability, particularly the appropriateness of the purpose, its benefit and whether the risk is commensurate with capital cost.	✓
East Japan Railway Company	5,786 (707,800)	7,559 (707,800)	Same to above	✓

sustainable growth and advances in the core Theme Park business. We maintain cross-shareholdings only in companies deemed to contribute to the deepening of mutual ties and enhancement of our corporate value. We will reduce such cross-shareholdings when said objectives cannot be met over the medium- to long-term.

Every year at the Board of Directors meeting, we carefully examine individual cross-shareholdings in terms of the appropriateness of the purpose for retention, the benefit associated with the holding (asset value, dividends, transactions, etc.), and whether or not the risk is commensurate with the capital cost, to determine the viability of the cross-shareholding.

**Standards for Exercising Voting Rights Pertaining to Cross-shareholdings**

When exercising voting rights on listed shares held, the Company shall make judgments on each agenda item from the following perspectives.

- (1) Will the holding enhance the corporate value of the investment target over the medium- to long-term and lead to greater shareholder return?
- (2) Is there a risk that the holding will significantly damage share prices due to a major violation of laws or regulations, antisocial acts, scandals, or other inappropriate activities committed by the investment target?
- (3) Has there been significant and prolonged stagnation in performance by the investment target?
- (4) Is there a possibility that the holding will harm the common interests of shareholders?