

Corporate Governance

Basic Policy

MEDIA DO Co., Ltd., recognizes the following as important management issues to be addressed as its management grows increasingly more global: The expedition and streamlining of management decisions to facilitate the further broadening of its business and the improvement of corporate value and the improvement of management health and transparency through enhanced corporate governance. Entrenching corporate ethics and awareness of these principles throughout the Company will be imperative to improving the health of management. By fostering such awareness,

MEDIA DO aims to develop a corporate culture in which all internal institutions, officers, and employees make fair and accurate decisions. Improving management transparency, meanwhile, will require prompt and proactive disclosure of information. Systems for information disclosure are therefore being enhanced toward this end.

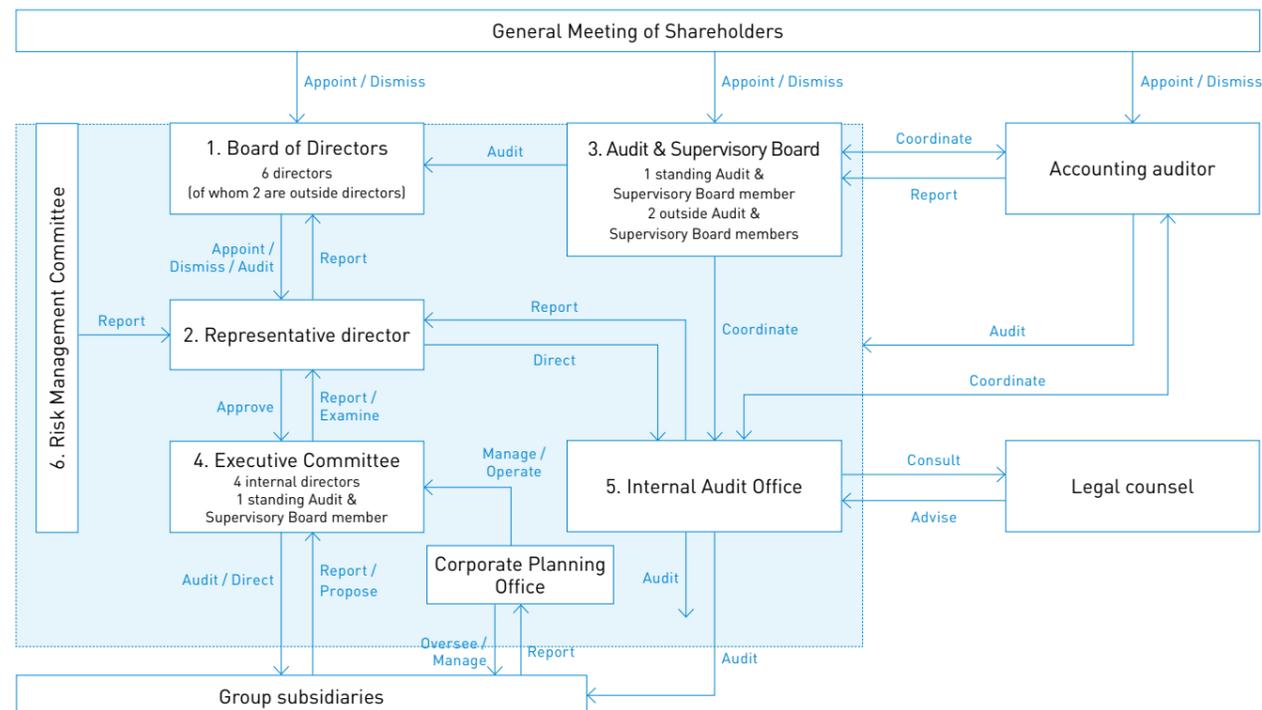
Going forward, the Company will continue to enhance its organization in the pursuit of more effective corporate governance.

Corporate Governance System

At the Company, the Board of Directors has the highest authority for management decision-making while the Audit & Supervisory Board carries out the management oversight function. In addition, the Company's Executive Committee is a committee of similar standing to the Board of Directors, with the former associated with the operational execution functions of directors and executive officers and the latter involved in management decision-making and operation oversight functions. This division of functions contributes to increased efficiency in operational execution. All outside Audit & Supervisory Board members have been designated as independent auditors as stipulated by the Tokyo Stock Exchange, while the two outside directors are designated as independent directors.

This composition makes it possible for outside Audit & Supervisory Board members to audit the operational execution of directors with operational execution functions (executive directors) from the perspectives of legal compliance and appropriateness. Similarly, outside directors are able to exert influence on executive directors through the supervision of their exercise of voting rights at meetings of the Board of Directors and the appropriateness of these decisions. With all officers performing their functions in this manner, the Company is working to improve management health and transparency so that it can enhance corporate value through the exercise of its corporate philosophy while paying due consideration to the interests of general shareholders.

Corporate Governance System (As of May 28, 2020)



Functions and Role of Corporate Governance System Constituents

Name	Overview	Number of Meetings / Frequency in FY2019
1. Board of Directors	The Board of Directors is the Company's highest management decision-making body. Based on the internal regulations for the Board of Directors, the Board of Directors makes decisions on important matters (management policies, business plans, acquisition and disposal of important assets, etc.) and supervises the status of operational execution. Regular meetings of the Board of Directors are held once a month, in principle, and special meetings are convened as necessary.	17 times a year
2. Representative Director	As the chief executive and the head of management, the representative director directs discussions at Board of Directors meetings and oversees all aspects of operational execution at the Company.	—
3. Audit & Supervisory Board	Audit & Supervisory Board members attend meetings of the Board of Directors to maintain an understanding of conditions within the Company and perform audits of operations along with accounting audits by interviewing directors and review of relevant documents. Standing Audit & Supervisory Board members also attend important meetings other than those of the Board of Directors to provide for sufficient oversight of the status of operational execution by directors. The Audit & Supervisory Board meets once a month. At meetings, the three Audit & Supervisory Board members establish audit plans and review the status of audit implementation and audit results and perform other tasks to ensure effective and efficient audits. Moreover, information is shared between Audit & Supervisory Board members, the Internal Audit Office, and the accounting audit to ensure efficient and synergetic audits.	17 times a year
4. Executive Committee	The Executive Committee meets once a week, in principle, primarily to discuss matters pertaining to business operation and to facilitate efficient operational execution through the examination and decision of matters pertaining to regulations for divisions of authority and basic operational execution items related to management that are not decided by the Board of Directors.	Once a week
5. Internal Audit Office	The Internal Audit Office is an organization under the direct jurisdiction of the representative director, president and CEO that performs internal audits in accordance with the plans approved by the representative director, president and CEO. In this manner, the office audits the Company's business activities while supervising the actions of directors and employees from the perspective of legal compliance.	—
6. Risk Management Committee	The Risk Management Committee is chaired by the director in charge of the General Affairs Department and comprised of representatives from business divisions and other relevant divisions. Meetings of the Risk Management Committee are convened as necessary, with meetings being held on a quarterly basis, in principle. At these meetings, committee members identify the risks that may impact the Company, examine possible countermeasures, and discuss related matters. Information on decisions by the committee is communicated throughout the Company.	Three times a year

Policies for Appointment of Directors and Audit & Supervisory Board Members

The articles of incorporation of MEDIA DO stipulate that the Board of Directors is to be comprised of eight or fewer directors and that the Audit & Supervisory Board is to consist of four or fewer Audit & Supervisory Board members. The Company's basic policy is to select individuals to fill positions as directors and Audit & Supervisory Board members that are appropriate for the positions with consideration paid to the balance of insight, experience, and skills pertaining to the Company's businesses. Director candidates are selected through comprehensive evaluation of their experience, insight, specialized expertise, and other attributes based on MEDIA DO's corporate philosophy and business strategies. Candidates for positions as outside directors and outside

Audit & Supervisory Board members are expected to meet the requirements for these positions described in the Companies Act of Japan as well as the conditions for designation as independent directors and independent auditors stipulated by the Tokyo Stock Exchange. Moreover, outside director and outside Audit & Supervisory Board members candidates must be judged to effectively present no risk of conflicts of interest with general shareholders. Going forward, the Company will continue to adhere to this policy while examining potential policies and procedures for securing a more diverse staff of directors and Audit & Supervisory Board members in terms of gender, nationality, and other characteristics.

Director	Reason for Appointment	Attendance at Board of Directors Meetings
Yasushi Fujita President and CEO	As the founder of the Company, Yasushi Fujita is well versed in all of its business and has a wealth of experience and exceptional insight as a manager. He was appointed to his current position so that his wealth of experience and exceptional insight can be utilized in the management of the Company.	17/17
Shin Niina Director, Vice President, and COO	Shin Niina is knowledgeable in the publishing industry and in the eBook industry and has been involved in a wide range of business within these industries and also possesses a wealth of experience and exceptional insight as a manager. He was appointed to his current position so that his wealth of experience and exceptional insight can be utilized in the management of the Company.	17/17
Yoshiyuki Suzuki Director	Since joining the Company, Yoshiyuki Suzuki has been involved in a wide range of administrative divisions, including those pertaining to administrative management, accounting, and human resources and general affairs. He therefore possesses plentiful experience and exceptional insight into finance, accounting, human resource strategy, and other administrative matters. He was appointed to the position of director so that his wealth of experience and exceptional insight can be utilized in the management of the Company.	17/17
Atsushi Mizoguchi Director	Atsushi Mizoguchi has a breadth of experience in digital distribution, digital libraries, new business development, and other businesses that are central to the Company as well as deep insight into mobile communications and IT. He was appointed to the position of director so that his wealth of experience and exceptional insight can be utilized in the management of the Company.	Appointed to current position in May 2020
Keiichi Enoki Outside Director*	Keiichi Enoki has extensive knowledge and experience in the fields of communications and digital content as well as extensive experience and in-depth knowledge as a corporate manager. He was appointed to the position of director so that his wealth of experience and insight can be utilized in the management of the Company.	17/17
Ken Takayama Outside Director*	Ken Takayama is deeply acquainted with the corporate finance and financial fields and has extensive experience and broad knowledge pertaining to all aspects of corporate management of global Internet businesses. He has been judged to be capable of providing appropriate advice on the general management of the Company by calling on this experience and insight as well as the familiarity with the Company's business operations gained through his experience as an outside Audit & Supervisory Board member of the Company. He is also expected to exercise the influence of his position as an outside director, which is based on the supervision of the execution of voting rights and the suitability of such decisions, on executive directors and thereby serve to strengthen the corporate governance of the Company. He was appointed to the position of director so that he can fulfill such a role.	13/13

Audit & Supervisory Board Member	Reason for Appointment	Attendance at Board of Directors Meetings	Attendance at Audit & Supervisory Board Meetings
Kazuyoshi Ohwada Standing Audit & Supervisory Board Member	Kazuyoshi Ohwada has experience in the human resource, general affairs, and finance and accounting divisions of the Company and possesses the insight necessary for facilitating the healthy and appropriate operation of the Company. He was appointed to the position of Audit & Supervisory Board member because it was judged that he is capable of effectively fulfilling this role.	17/17	17/17
Toshiaki Morifuji Outside Audit & Supervisory Board Member*	Toshiaki Morifuji is qualified as a certified public accountant and therefore has considerable insight pertaining to finance and accounting. He was appointed to the position of outside Audit & Supervisory Board member out of consideration for this insight.	17/17	17/17
Tsuyoshi Shiina Outside Audit & Supervisory Board Member*	Tsuyoshi Shiina is qualified as a lawyer and a tax accountant and therefore has considerable insight pertaining to corporate legal affairs, finance, and accounting. He was appointed to the position of outside Audit & Supervisory Board member out of consideration for this insight.	17/17	17/17

* Notification has been submitted designating the individuals in question as independent directors or auditors as stipulated by the Tokyo Stock Exchange.

Corporate Governance

Compensation of Directors and Audit & Supervisory Board Members

At the 12th Annual General Meeting of Shareholders held on May 25, 2011, the upper limit for annual compensation of directors was set at ¥170 million. In addition, the limit for restricted stock compensation was set at ¥50 million to be issued as an amount separate from standard compensation at the 19th Annual General Meeting of Shareholders held on May 30, 2018. The compensation to be paid to individual directors in a given fiscal year is decided based on comprehensive consideration of the role, degree of contribution,

performance, and other factors pertaining to the director by the representative director, president and CEO based on authority delegated by the Board of Directors.

Compensation of Audit & Supervisory Board members, meanwhile, is determined through discussion among auditors. The amounts of compensation paid in the fiscal year ended February 29, 2020 were decided through this process.

	Total Compensation (Millions of yen)	Compensation by Type (Millions of yen)				Number of Recipients
		Basic Compensation	Restricted Stock Compensation	Bonuses	Retirement Benefits	
Directors (excluding outside directors)	¥77	¥64	¥13	¥-	¥-	¥4
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	6	6	-	-	-	1
Outside directors and auditors	15	15	-	-	-	6

Evaluation of Effectiveness of the Board of Directors

Self-evaluations and analyses of the effectiveness of the Board of Directors are performed for the purpose of improving the functionality of the Board of Directors and subsequently the corporate value of the Company. Advice from third-party institutions has been received in performing the self-evaluations and analyses, which were performed through the following procedures.

In March 2020, questionnaires were issued to all directors and Audit & Supervisory Board members on the Board of Directors. Responses were submitted directly to the contracted third-party institution to maintain anonymity, and the institution submitted a report aggregating these responses. This report was analyzed, discussed, and evaluated at the regular meeting of the Board of Directors held in May 2020. The findings of this review process were as follows.

The responses to the questionnaires indicated that the membership of the Board of Directors, including the portion of outside directors, was appropriate and that the Company is effectively managing conflicts of interest with

management, majority shareholders, and other parties related to the Company. In addition, it was determined that open, frank, and constructive discussions were being held at meetings of the Board of Directors and that outside directors were fulfilling their oversight function. Based on this general positive evaluation, it has been determined that the Board of Directors is effective overall.

Conversely, issues were identified including the need for documents to be provided at timings that allow for review prior to Board of Directors meetings and for more sufficient time to be secured at meetings for discussing matters such as the formulation of Groupwide corporate philosophies. Information on such issues was shared to facilitate the improvement of the functionality of the Board of Directors and to enhance discussions at meetings.

Based on this evaluation of the effectiveness of the Board of Directors, swift action will be taken after sufficient discussion of the identified issues to continuously heighten the functionality of the Board of Directors.

may impact the Company, examine possible countermeasures, and discuss related matters. Information on decisions by the committee is communicated throughout the Company.

In the event of a crisis, the Company will act in accordance with the Management Crisis Response Manual by assembling a response headquarters and communicating the necessary information inside and outside the Company to furnish swift and accurate responses to a crisis. In addition, consultant contracts have been formed with law firms, enabling the Company to receive accurate advice and suggestions through consultations pertaining to legal issues.

Risk Management

MEDIA DO has established risk management regulations to mitigate risks and minimize the potential losses by the Company, and its risk management system is being strengthened accordingly. In addition, the Risk Management Committee has been established. This commitment is chaired by the director in charge of the General Affairs Department and comprised of representatives from business divisions and other relevant divisions. Meetings of the Risk Management Committee are convened as necessary, with meetings held on a quarterly basis, in principle. At these meetings, committee members identify the risks that

Messages from the Outside Directors

Quantitatively and Qualitatively Monitoring the Executive Branch to Enhance Corporate Governance

I became an outside director of the MEDIA DO three years ago. This was the same year that MEDIA DO converted industry giant Digital Publishing Initiatives Japan Co., Ltd., into a subsidiary. At this time, when the Company was transforming and approaching a turning point through the incorporation of different cultures and systems, MEDIA DO undertook ambitious corporate governance reforms through the reflection of outside perspectives, insight, and expertise in the Board of Directors. I feel that a major factor supporting this ambition is the strong leadership of President Yasushi Fujita, founder of the Company.

Such strong leadership and swift decisive decisions are major characteristics and strengths of corporate governance at MEDIA DO. However, there is still a clear need to install internal controls and reinforce Group governance from the perspective of management's supervision of the executive branch. Such efforts should be integrated into the process of growing the Company's business while reforming business portfolios and engaging in new businesses. I therefore hope to contribute to rapid growth for MEDIA DO through quantitative evaluations of investment benefits and thorough qualitative monitoring of processes.

Keiichi Enoki
Outside Director



Ken Takayama
Outside Director



Support for Ongoing Value Creation Based on Awareness of Business Potential and Risks

I have been involved in the management of MEDIA DO for two years as an Audit & Supervisory Board member and one year as a director. In each year of my involvement in management, the foundations for incorporating outside perspectives and input into management have become increasingly solid. When the Japanese government announced a state of emergency in response to the global COVID-19 pandemic, I saw the Company take a flexible approach toward business operations through measures such as shifting to remote work environments for various processes.

MEDIA DO needs to evolve in a variety of other ways, for example, by expanding operations and shaping risk management from the perspective of the ongoing improvement in corporate value. The Company is currently performing well. This is therefore an ideal time for exhaustive discussion and action to accomplish tasks such as breaking away from earnings structures that are overly dependent on specific businesses. The recognition of this fact is shared among the members of the Board of Directors. New ventures necessarily entail new risks. However, there is also a risk to inaction. Mindful of the Company's medium- to long-term vision for MEDIA DO, I hope to contribute to ongoing improvements in corporate value based on an awareness of business potential and risks.

Corporate Governance

Management Team (As of May 28, 2020)



A. Yasushi Fujita

Representative Director, President and CEO

- Apr. 1996 Established Fuji Techno Limited Company (merged into the Company in November 2001), Representative Director of the Company
- Apr. 1999 Established the Company, Representative Director and President of the Company
- Mar. 2017 Representative Director and Chairman of Digital Publishing Initiatives Japan Co., Ltd. (changed its company name to MEDIA DO Co., Ltd., in March 2019) [current position]
- Sep. 2017 Representative Director and Group CEO of the Company
- Mar. 2018 Representative Director and Chairman of MEDIA DO Co., Ltd. (ceased to exist in March 2019 due to the merger with Digital Publishing Initiatives Japan Co., Ltd.)
- Mar. 2019 Representative Director, President, Executive Officer, and CEO of the Company
- May 2019 Representative Director and Chairman of Digital Publishing Initiatives Japan Co., Ltd. (current position)
- Representative Director, President and CEO (current position)

B. Shin Niina

Director, Vice President, and COO

- Apr. 2003 General Manager of Books Business Department of Kadokawa Shoten Co., Ltd.
- Jan. 2007 Managing Director of Kadokawa Shoten Co., Ltd. (currently KADOKAWA CORPORATION)
- Jan. 2008 Representative Director of Kadokawa Editorial Co., Ltd.
- Apr. 2013 Assistant Secretary General of Kadokawa Culture Promotion Foundation
- Oct. 2013 Secretary General of Kadokawa Culture Promotion Foundation
- June 2014 Representative Director and President of Digital Publishing Initiatives Japan Co., Ltd. (changed its company name to MEDIA DO Co., Ltd., in March 2019) [current position]
- Mar. 2018 Representative Director and President of MEDIA DO Co., Ltd. (ceased to exist in March 2019 due to the merger with Digital Publishing Initiatives Japan Co., Ltd.)
- May 2018 Director, Vice President, Executive Officer, and COO of the Company
- Mar. 2019 Representative Director and President of Digital Publishing Initiatives Japan Co., Ltd. (current position)
- May 2019 Director, Vice President, and COO of the Company (current position)

C. Yoshiyuki Suzuki

Director

- Dec. 1986 Joined Takahashi Accounting Office
- Mar. 1997 Joined Red Hot Company Co., Ltd.
- Oct. 1997 Joined ASahi INTECC CO., LTD.
- Jan. 2001 Joined World Bridal Co., Ltd.
- Nov. 2007 Joined the Company
- Mar. 2008 General Manager of the Accounting and Finance Department of the Company
- July 2008 Executive Officer and General Manager of the Accounting and Finance Department of the Company
- Mar. 2014 Executive Officer and General Manager of the Business Administration Department of the Company
- May 2015 Resigned from the Company
- Nov. 2015 Joined the Company, Executive Officer and General Manager of the Administration Division
- May 2016 Director and General Manager of the Administration Division of the Company
- Mar. 2017 Audit & Supervisory Board Member of Digital Publishing Initiatives Japan Co., Ltd. (changed its company name to MEDIA DO Co., Ltd. in March 2019)
- Sep. 2017 Audit & Supervisory Board Member of MEDIA DO Co., Ltd. (ceased to exist in March 2019 due to the merger with Digital Publishing Initiatives Japan Co., Ltd.)
- Mar. 2018 Director, Executive Officer, and CAO of the Company
- May 2019 Director of the Company (in charge of the Finance and Accounting Department) [current position]

D. Atsushi Mizoguchi

Director

- Apr. 2000 Joined NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.)
- July 2008 Joined the Company, Executive Officer and General Manager of the Content & Media Business Division of the Company
- Sep. 2009 Executive Officer and General Manager of the Sales Division of the Company
- May 2010 Director and General Manager of the Sales Division of the Company
- Mar. 2013 Director and General Manager of the Business Headquarters of the Company
- Sep. 2016 Director and General Manager of the Business Development Division of the Company
- Mar. 2017 Director of Digital Publishing Initiatives Japan Co., Ltd. (changed its company name to MEDIA DO Co., Ltd. in March 2019)
- Sep. 2017 Director and Group COO of the Company
- Director of MEDIA DO Co., Ltd. (ceased to exist in March 2019 due to the merger with Digital Publishing Initiatives Japan Co., Ltd.)
- Mar. 2018 Director, Executive Officer and CBO of the Company
- May 2018 Executive Officer and CBO of the Company
- June 2019 Executive Officer and General Manager of the New Service Promotion Office of the Company (current position)

E. Keiichi Enoki

Outside Director

- Apr. 1974 Joined Nippon Telegraph and Telephone Public Corporation
- July 1992 Joined NTT Mobile Communications Network, Inc. (currently NTT DOCOMO, INC.)
- Mar. 1995 General Manager of the Tochigi Branch of NTT Mobile Communications Network, Inc.
- Jan. 1997 General Manager of the Corporate Sales and Marketing Department of NTT Mobile Communications Network, Inc.
- Aug. 1997 General Manager of the Gateway Business Department of NTT Mobile Communications Network, Inc.
- June 2000 Director and General Manager of the Gateway Business Department of NTT DOCOMO, INC.
- July 2001 Director and General Manager of the i-mode Business Division of NTT DOCOMO, INC.
- June 2003 Managing Director and General Manager of the i-mode Business Division of NTT DOCOMO, INC.
- June 2004 Managing Director and General Manager of the Products & Services Division of NTT DOCOMO, INC.
- June 2005 Representative Director and President of NTT DoCoMo Tokai, Inc. (currently the Tokai Regional Office of NTT DOCOMO, INC.)
- June 2008 Representative Director and President of DOCOMO Engineering Inc.
- June 2012 Advisor of DOCOMO Engineering Inc.
- June 2013 Outside Auditor of NDS Co., Ltd.
- Nov. 2016 Outside Director of UNIMEDIA INC. (current position)
- May 2017 Outside Director of the Company (current position)

Major Concurrent Position
Outside Director of UNIMEDIA INC.

F. Ken Takayama

Outside Director

- Apr. 1988 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
- Nov. 1999 Managing Director of Rakuten, Inc.
- June 2001 Outside Auditor of TECHMATRIX CORPORATION
- Feb. 2010 Chief Financial Officer of Rakuten, Inc.
- Mar. 2013 Advisor of Rakuten, Inc.
- July 2014 Outside Director of STAR FESTIVAL INC.
- June 2015 Outside Director (Audit and Supervisory Committee Member) of TECHMATRIX CORPORATION (current position)
- Nov. 2016 Outside Director (Audit and Supervisory Committee Member from November 2018) of Metaps Inc. (current position)
- May 2017 Outside Audit & Supervisory Board Member of the Company
- May 2018 Outside Director of Linkers Corporation
- Sep. 2018 Outside Director of Mercari, Inc. (current position)
- May 2019 Outside Director of the Company (current position)

Major Concurrent Positions
Outside Director (Audit and Supervisory Committee Member) of TECHMATRIX CORPORATION
Outside Director (Audit and Supervisory Committee Member) of Metaps Inc.
Outside Director of Mercari, Inc.

G. Kazuyoshi Ohwada

Standing Audit & Supervisory Board Member

- June 1969 Joined Sony Audio Corporation (currently Sony Global Manufacturing & Operations Corporation)
- Mar. 2002 Joined the Company, General Manager of the Administration Department of the Company
- July 2003 Director and General Manager of the Administration Department of the Company
- Mar. 2008 Director and General Manager of the Administration Division of the Company
- May 2012 Senior Managing Director and General Manager of the Administration Division of the Company
- Sep. 2013 Director and General Manager of the Administration Division of the Company
- May 2014 Audit & Supervisory Board Member of the Company (current position)

H. Toshiaki Morifuji

Outside Audit & Supervisory Board Member

- Oct. 2003 Joined ChuoAoyama Audit Corporation
- June 2007 Registered as a certified public accountant
- July 2007 Joined KPMG AZSA & Co. (currently KPMG AZSA LLC)
- July 2009 Established MORIFUJI Certified Public Account Office, Director of MORIFUJI Certified Public Account Office (current position)
- May 2010 Outside Audit & Supervisory Board Member of the Company (current position)
- Mar. 2013 Established Nagoya Tax Corporation, Representative of Nagoya Tax Corporation (current position)

Major Concurrent Positions
Director of MORIFUJI Certified Public Account Office
Representative of Nagoya Tax Corporation

I. Tsuyoshi Shiina

Outside Audit & Supervisory Board Member

- Oct. 2002 Registered as a lawyer
- Joined Kimura Law Office
- Mar. 2003 Joined Kandabashi Law Office (currently White & Case LLP)
- July 2005 Joined Nagashima Ohno & Tsunematsu
- Oct. 2011 Joined Industrial Growth Platform, Inc.
- Jan. 2012 Advisor to the House of Representatives (transferred from Industrial Growth Platform, Inc., appointed to the National Diet of Japan Fukushima Nuclear Accident Independent Investigation Commission)
- Dec. 2012 Member of the Lower House of Representatives
- Nov. 2014 Registered as a tax accountant
- Dec. 2014 Representative of Tsuyoshi Shiina Legal and Tax Accountant Office (current position)
- Jan. 2017 Outside Director of Phone Appli Inc.
- May 2017 Outside Audit & Supervisory Board Member of the Company (current position)

Major Concurrent Position
Representative of Tsuyoshi Shiina Legal and Tax Accountant Office