

May 10, 2021

Company Name:	Dexerials Corporation
Security Code:	4980
Listing:	First Section, Tokyo Stock Exchange
Representative:	Yoshihisa Shinya, Representative Director and President
Contact:	Naoyuki Sanada, Senior Executive Officer, CFO
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Notice of Partial Revision of the Articles of Incorporation

Dexerials Corporation (“the Company”) hereby announces that the Board of Directors of the Company has passed a resolution at the meeting held today to propose a partial revision of the Company’s Articles of Incorporation at the 9th Annual General Meeting of Shareholders scheduled to be held on June 18, 2021.

1. Reasons for the revision

- (1) Given the dramatic changes in its business environment, the Company plans for the transition to become a company with an Audit and Supervisory Committee to improve the monitoring function of the management and to maintain a constant increase in its corporate value by accelerating decision-making through the further delegation of authority and the continued separation of functions for operation and supervision.

To this end, the Company will revise its Articles of Incorporation as needed for the placement of the Audit and Supervisory Committee, including the establishment of new provisions, the modification of existing provisions, and the deletion of provisions for Audit and Supervisory Board Members and the Audit and Supervisory Board.

- (2) The Company will revise the provisions of Article 21 (Convener and Chairperson of the Board of Directors’ Meeting) of the current Articles of Incorporation to allow for flexible appointment of the convener and chairperson of the Board of Directors’ meeting according to the structure of the Company’s Board of Directors, social trends, and other factors.
- (3) The Company will relocate its head office to Shimotsuke, Tochigi Prefecture to concentrate its head office functions in the Tochigi office that serves as the center of its business to further increase the efficiency of its business operation.

This revision will take effect on the day of the head office relocation determined at the Board of Directors’ meeting held in 2021, which will be provided for in Supplementary Provisions.

2. Details of the revision

The details of the revision are provided in the attachment.

3. Schedule

Date of the General Meeting of Shareholders held for the revision of the Articles of Incorporation:

June 18, 2021 (tentative)

Effective date of the revision of the Articles of Incorporation: June 18, 2021 (tentative)

* Only the revision for the head office relocation will take effect on the date of the head office relocation determined at the Board of Directors’ meeting held in 2021.

[Attachment] Details of Revision

(The underlining indicates a change.)

Current Articles of Incorporation	Proposed revisions
Chapter 1. General Provisions	Chapter 1. General Provisions
Article 1 and Article 2 (omitted)	Article 1 and Article 2 (unchanged)
Location of Head Office	Location of Head Office
Article 3. The Company shall have its head office in Shinagawa, Tokyo.	Article 3. The Company shall have its head office in <u>Shimotsuke, Tochigi Prefecture</u> .
(Organizations)	(Organizations)
Article 4. The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors.	Article 4. The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors.
(1) Board of Directors	(1) Board of Directors
(2) <u>Audit and Supervisory Board Members</u>	(2) <u>Audit and Supervisory Committee</u>
(3) <u>Audit and Supervisory Board</u>	(deleted)
(4) Independent Auditor	(3) Independent Auditor
Article 5. (omitted)	Article 5. (unchanged)
Chapter 2. Shares	Chapter 2. Shares
Article 6 through Article 10 (omitted)	Article 6 through Article 10 (unchanged)
Chapter 3. General Meeting of Shareholders	Chapter 3. General Meeting of Shareholders
Article 11 through Article 16 (omitted)	Article 11 through Article 16 (unchanged)
Chapter 4. Directors and Board of Directors	Chapter 4. Directors and the Board of Directors <u>and the Audit and Supervisory Committee</u>
Number of Directors	Number of Directors
Article 17. The number of the Directors of the Company shall be no more than <u>eleven (11)</u> .	Article 17. 1. The number of the Directors of the Company shall be no more than <u>seven (7), excluding Directors who serve as Audit and Supervisory Committee Members</u> .
	<u>2. The number of Directors of the Company, who serve as Audit and Supervisory Committee Members, shall be no more than four (4).</u>
Appointment of Directors	Appointment of Directors
Article 18. Directors shall be appointed by resolution of the General Meeting of Shareholders.	Article 18. 1. <u>Directors who serve as Audit and Supervisory Committee Members and other Directors shall be appointed separately</u> by resolution of the General Meeting of Shareholders.

<p>2. (omitted) 3. (omitted)</p> <p>Term of Office of Directors</p> <p>Article 19. 1. The term of office of Directors shall end at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within one (1) year from the appointment.</p> <p>(New provision)</p> <p>Article <u>20</u>. (omitted)</p> <p>Convener and Chairperson of the Board of Directors' Meetings</p> <p>Article <u>21</u>. 1. A meeting of the Board of Directors is convened by <u>the Representative Director and President of the Company</u>, who serves as the Chairperson of the meeting, unless otherwise provided for by laws and regulations.</p> <p>2. If <u>the Representative Director and President</u> of the Company is unavailable due to an accident, another Director in the order determined in advance by the Board of Directors shall convene the Board of Directors' meeting and serve as the Chairperson of the</p>	<p>2. (unchanged) 3. (unchanged)</p> <p>Term of Office of Directors</p> <p>Article 19. 1. The term of office of Directors, <u>excluding those serving as Audit and Supervisory Committee Members</u>, shall end at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within one (1) year from the appointment.</p> <p><u>2. The term of office of Directors serving as Audit and Supervisory Committee Members shall end at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within two (2) years from the appointment.</u></p> <p><u>3. The term of office of a Director serving as an Audit and Supervisory Committee member appointed as an alternate to a Director, who served as an Audit and Supervisory Committee member and retired prior to the expiration of their term of office, shall end at the expiration of the term of office of their predecessor.</u></p> <p><u>Effect of Preliminary Election of an Alternate Director Serving as an Audit and Supervisory Committee member</u></p> <p><u>Article 20. The effect of preliminary election of an alternate Director serving as an Audit and Supervisory Committee member shall end at the start of the Annual General Meeting of Shareholders held for the last business year ending within two (2) years from the appointment.</u></p> <p>Article <u>21</u>. (unchanged)</p> <p>Convener and Chairperson of the Board of Directors' Meetings</p> <p>Article <u>22</u>. 1. A meeting of the Board of Directors shall be convened by <u>a Director designated by the Board of Directors in advance</u> and shall serve as the Chairperson of the meeting, unless otherwise provided for by laws and regulations.</p> <p>2. If the Director <u>in the preceding paragraph</u> is unavailable due to an accident, another Director in the order determined in advance by the Board of Directors shall convene the Board of Directors' meeting and serve as the Chairperson of the meeting.</p>
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<p>meeting.</p> <p>Notice of Convocation of the Board of Directors' Meeting</p> <p>Article <u>22</u>. 1. The notice of convocation of the Board of Directors' meeting shall be issued to each Director and <u>Audit and Supervisory Board Members</u> no later than three (3) days prior to the date of the meeting; provided, however, that this period may be reduced if necessary in an emergency.</p> <p>2. A meeting of the Board of Directors may be held without the convocation procedure upon the unanimous consent of the Directors <u>and Audit and Supervisory Board Members</u>.</p> <p>(New provision)</p> <p>Omission of the Resolution of the Board of Directors</p> <p>Article <u>23</u>. If a Director proposes a matter to be resolved at a meeting of the Board of Directors and the proposal is approved unanimously in writing or through the electromagnetic record by the Directors entitled to participate in the resolution, a resolution to approve this proposal is deemed to have been passed by the Board of Directors unless an Audit and Supervisory Board member has raised an objection.</p> <p>(New provision)</p> <p>Article <u>24</u>. (omitted)</p>	<p>Notice of Convocation of the Board of Directors' Meeting</p> <p>Article <u>23</u>. 1. The notice of convocation of the Board of Directors' meeting shall be issued to each Director no later than three (3) days prior to the date of the meeting; provided, however, that this period may be reduced if necessary in an emergency.</p> <p>2. A meeting of the Board of Directors may be held without the convocation procedure upon the unanimous consent of the Directors.</p> <p><u>Notice of Convocation of a Meeting of the Audit and Supervisory Committee</u></p> <p><u>Article 24</u>. 1. The notice of convocation of a meeting of the Audit and Supervisory Committee shall be issued to each Audit and Supervisory Committee member no later than three (3) days prior to the date of the meeting; provided, however, that this period may be reduced if necessary in an emergency.</p> <p><u>2. A meeting of the Audit and Supervisory Committee may be held without the convocation procedure upon the unanimous consent of the Audit and Supervisory Committee Members.</u></p> <p>Omission of the Resolution of the Board of Directors</p> <p><u>Article 25</u>. The Company shall deem that a resolution of the Board of Directors has been passed when the requirements specified in Article 370 of the Companies Act are satisfied.</p> <p><u>Delegation to Directors</u></p> <p><u>Article 26</u>. The Company may delegate decisions on the performance of important duties (excluding those in the paragraph (5), Article 399-13, of the Companies Act) by resolution of the Board of Directors pursuant to the provisions of the paragraph (6), article 399-13, of the Companies Act.</p> <p>Article <u>27</u>. (unchanged)</p>
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<p>(New provision)</p> <p>Remuneration, etc. for Directors</p> <p>Article <u>25</u>. Remuneration, bonuses, and other economic benefits received by Directors from the Company in consideration of the performance of their duties (hereinafter, "Remuneration") shall be determined by resolution of the General Meeting of Shareholders.</p> <p>Limited Liability of <u>Outside</u> Directors</p> <p>Article <u>26</u>. The Company may establish an agreement with an <u>Outside</u> Director to limit the liability for damages caused by negligence in the performance of duties pursuant to the provisions of the paragraph (1), Article 427, of the Companies Act; provided, however, that the amount of limitation of liability in accordance with the agreement shall be the amount specified in relevant laws and regulations.</p> <p><u>Chapter 5. Audit and Supervisory Board and Audit and Supervisory Board Members</u></p> <p><u>Number of Audit and Supervisory Board Members</u></p> <p>Article <u>27</u>. The number of the Audit and Supervisory Board Members of the Company shall be more than <u>three (3)</u>.</p> <p><u>Appointment of Audit and Supervisory Board Members</u></p> <p>Article <u>28</u>. 1. Audit and Supervisory Board Members shall be appointed by resolution of the General Meeting of Shareholders.</p> <p>2. Resolution to appoint an Audit and Supervisory Board member shall be passed by a majority vote of <u>shareholders present and representing at least one third (1/3) of voting rights of the shareholders entitled to exercise their voting rights.</u></p>	<p><u>Regulations of the Audit and Supervisory Committee</u></p> <p>Article <u>28</u>. Matters concerning the Audit and Supervisory Committee shall be determined pursuant to the provisions of laws and regulations, the Articles of Incorporation of the Company, and the regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.</p> <p>Remuneration, etc. for Directors</p> <p>Article <u>29</u>. Remuneration, bonuses, and other economic benefits received by Directors from the Company in consideration of performance of their duties (hereinafter, "Remuneration") shall be determined <u>separately between Directors serving as Audit and Supervisory Committee Members and those who are not</u> by resolution of the General Meeting of Shareholders.</p> <p>Limited Liability of Directors</p> <p>Article <u>30</u>. The Company may establish an agreement with Directors (<u>excluding executive directors, etc.</u>) to limit the liability for damages caused by the negligence in the performance of duties pursuant to the provisions of the paragraph (1), Article 427, of the Companies Act; provided, however, that the amount of limitation of liability in accordance with the agreement shall be the amount specified in relevant laws and regulations.</p> <p>(deleted)</p> <p>(deleted)</p> <p>(deleted)</p>
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<p><u>Term of Office of Audit and Supervisory Board Members</u></p> <p><u>Article 29. 1. The term of office of Audit and Supervisory Board Members shall end at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within four (4) years from the appointment.</u></p> <p><u>2. The term of office of an Audit and Supervisory Board member appointed as an alternate to an Audit and Supervisory Board member who has retired prior to the expiration of their term of office shall end at the expiration of the term of office of their predecessor.</u></p> <p><u>3. The effective period of the resolution to appoint an alternate Audit and Supervisory Board member appointed pursuant to the provisions of the paragraph (3), Article 329, of the Companies Act shall end at the start of the Annual General Meeting of Shareholders held for the last business year ending within four (4) years from the appointment.</u></p>	<p>(deleted)</p>
<p><u>Standing Audit and Supervisory Board Members</u></p> <p><u>Article 30. The Audit and Supervisory Board shall pass a resolution to select standing Audit and Supervisory Board Members.</u></p>	<p>(deleted)</p>
<p><u>Notice of Convocation of a Meeting of Audit and Supervisory Board.</u></p> <p><u>Article 31. 1. The notice of convocation of the Audit and Supervisory Board meeting shall be issued to each Audit and Supervisory Board member no later than three (3) days prior to the date of the meeting; provided, however, that this period may be reduced if necessary in an emergency.</u></p> <p><u>2. A meeting of the Audit and Supervisory Board may be held without the convocation procedure upon the unanimous consent of the Audit and Supervisory Board Members.</u></p>	<p>(deleted)</p>
<p><u>Regulations of the Audit and Supervisory Board</u></p> <p><u>Article 32. Matters concerning the Audit and Supervisory Board shall be determined pursuant to the provisions of laws and regulations, the Articles of Incorporation of the Company, and the regulations of the Audit and Supervisory Board Members established by the Audit and Supervisory Board.</u></p>	<p>(deleted)</p>

<p><u>Remuneration, etc. for Audit and Supervisory Board Members</u></p> <p><u>Article 33. Remuneration, etc. for Audit and Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.</u></p> <p><u>Limited Liability of Outside Audit and Supervisory Board Members</u></p> <p><u>Article 34. The Company may establish an agreement with an Outside Audit and Supervisory Board Members to limit the liability for damages caused by the negligence in the performance of duties pursuant to the provisions of the paragraph (1), Article 427, of the Companies Act; provided, however, that the amount of limitation of liability in accordance with the agreement shall be the amount specified in relevant laws and regulations.</u></p> <p>Chapter 6. Independent Auditor</p> <p>Article 35 and Article 36 (omitted)</p> <p>Remuneration, etc. for Independent Auditor</p> <p>Article 37. Remuneration, etc. for Independent Auditor shall be determined by consent of <u>the Audit and Supervisory Board.</u></p> <p>Chapter 7. Accounting</p> <p>Article 38 through Article 41 (omitted)</p> <p>(New provision)</p>	<p>(deleted)</p> <p>(deleted)</p> <p>Chapter 5. Independent Auditor</p> <p>Article 31 and Article 32 (unchanged)</p> <p>Remuneration, etc. for Independent Auditor</p> <p>Article 33. Remuneration, etc. for Independent Auditor shall be determined by consent of <u>the Audit and Supervisory Committee.</u></p> <p>Chapter 6. Accounting</p> <p>Article 34 through Article 37 (unchanged)</p> <p><u>Supplementary Provisions</u></p> <p><u>The revision in Article 3 shall take effect on the date of head office relocation determined at the meeting of the Board of Directors of the Company to be held in 2021.</u></p> <p>This Supplementary Provision shall be deleted after the effective date of the head office relocation.</p>
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