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(Stock Exchange Code 9682)
May 29, 2020

To Shareholders with Voting Rights:

Koichi Nishida
Representative Director and President
DTS CORPORATION
2-23-1 Hatchobori Chuo-ku, Tokyo

NOTICE OF THE 48TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 48th Annual General Meeting of Shareholders of DTS CORPORATION (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders described hereinafter, and exercise your voting rights.

Guide to Exercise of Voting Rights

Exercise of Voting Rights by attending the General Meeting of Shareholders

Date of the meeting: Friday, June 19, 2020 at 10:00 a.m. (reception will open at 9:00 a.m.)

Please submit the enclosed Voting Rights Exercise Form at the reception desk.

Please bring this convocation notice with you to conserve natural resources.

Exercise of Voting Rights by Mail

Voting deadline: By 5:00 p.m. on Thursday, June 18, 2020 (Arrival of Voting Forms)

Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form, and return it so that it is received by the voting deadline.

If there is no indication for or against any proposal, the vote will be deemed to have been cast for such proposal.

Exercise of Voting Rights by electromagnetic means (via the Internet, etc.)

Voting deadline: By 5:00 p.m. on Thursday, June 18, 2020

Please access the voting rights exercise website noted on the Voting Rights Exercise Form (<https://www.web54.net>), review the Reference Documents for the General Meeting of Shareholders that are attached on this convocation notice or posted on the voting rights exercise website, and enter your vote for or against the proposals following the on-screen instructions.

* For the details of Exercise of Voting Rights via the Internet, etc., please refer to page 3 through 4.

- 1. Date and Time:** Friday, June 19, 2020 at 10:00 a.m. (reception will open at 9:00 a.m.)
- 2. Venue:** Harumi Banquet Room
Royal Park Hotel 2nd Floor
2-1-1 Nihonbashi-Kakigara-cho, Chuo-ku, Tokyo
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 48th Fiscal Year (April 1, 2019 - March 31, 2020) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 48th Fiscal Year (April 1, 2019 - March 31, 2020)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Ten (10) Directors
- Proposal 3:** Election of One (1) Corporate Auditor
- Proposal 4:** Election of an Accounting Auditor
- 4. Other matters regarding the convocation of the General Meeting of Shareholders**
- If you wish to make a diverse exercise of your voting rights, please notify the Company of your intention of making a diverse exercise of voting rights and the reasons thereof by three (3) days prior to the General Meeting of Shareholders.

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- (Request) When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please also bring this Notice of Convocation with you.
- (Notice) Pursuant to the laws and regulations and the provisions of the Articles of Incorporation of the Company, part of the Business Report, the Consolidated Statement of Changes in Net Assets, the Notes to the Consolidated Financial Statements, the Non-consolidated Statement of Changes in Net Assets, and the Notes to the Non-consolidated Financial Statements are posted on the Company's website, and are not included in this convocation notice.
- Furthermore, the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Corporate Auditors and Board of Corporate Auditors and the Accounting Auditor when creating their respective audit reports consist of all of the Financial Statements attached to this convocation notice, as well as the Consolidated Statement of Changes in Net Assets, the Notes to the Consolidated Financial Statements, the Non-consolidated Statement of Changes in Net Assets, and the Notes to the Non-consolidated Financial Statements posted on the Company's website.
- In addition, should the Reference Documents for the General Meeting of Shareholders and the Appendix require revision, the revised versions will be posted on the Company's website at the following address:
- <https://www.dts.co.jp/>

Notes Regarding Exercise of Voting Rights via the Internet, etc.

Exercise of voting rights via the Internet is only possible via the voting rights exercise website designated by the Company. It is also possible to access the voting website using a smartphone, mobile phone, etc.

Voting deadline: By 5:00 p.m. on Thursday, June 18, 2020

For the sake of tallying votes, please exercise your voting rights as soon as possible.

Voting rights exercise website: <https://www.web54.net>



You can access the voting rights exercise website by reading the QR code on the left using a mobile phone with a bar code reader.

For details on how to operate, please refer to the instruction manual for your mobile phone.

(QR code is a registered trademark of DENSO WAVE INCORPORATED.)

How to access the voting website using a personal computer

1. Access the voting rights exercise website
Then, click “Next.”
2. Enter the voting rights exercise code
Enter the “voting rights exercise code” written on the Voting Rights Exercise Form at hand (or in the convocation email) and click “Log In.”
3. Enter the password
Enter the “password” written on the Voting Rights Exercise Form at hand (or in the convocation email) and click “Next.”

After that, please follow the on-screen instructions to enter your vote for or against the proposals.

How to exercise your voting rights with “Smart Exercise”

1. Read the QR code
Activate a camera on your smartphone and read the “QR code to log in to the voting rights exercise website for smartphones” printed on the Voting Rights Exercise Form at hand.
2. Choose how to exercise your voting rights
3. Choose to vote for or against each proposal

Please follow the on-screen instructions to complete the exercise.

* By reading the “QR code to log in to the voting rights exercise website for smartphones,” you can access the voting rights exercise website without entering the “voting rights exercise code” or “password.” With the “Smart Exercise,” only one vote can be entered.

* When you change your vote after the exercise, it is required to re-read the QR code and enter the “voting rights exercise code” and “password” written on your Voting Rights Exercise Form (or in the convocation email).

Matters to be attended to:

- If voting rights are exercised via the Internet, etc., it is not required to exercise voting rights by mail.
If voting rights are exercised both by mail and via the Internet, the exercise of voting rights via the Internet will be deemed valid.
- If voting rights are exercised via the Internet multiple times, or they are exercised redundantly using a PC, a smartphone, a mobile phone, etc., the last exercise of voting rights will be deemed valid.
- Internet service provider connection fees and telecommunications carrier fees (telephone fees, etc.) when accessing the voting rights exercise website shall be borne by the shareholder.

For any inquiries on exercise of voting rights via the Internet, please contact the following:	
Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited	
<u>Dedicated line</u>	0120 (652) 031 (Toll free within Japan) Open from 9:00 a.m. to 9:00 p.m.
<u>Other inquiries</u>	0120 (782) 031 (Toll free within Japan) Open from 9:00 a.m. to 5:00 p.m. (except for weekends and holidays)

For institutional investors	Nominal shareholders (including standing proxies) such as management trust banks, etc. can use the electronic voting rights exercise platform operated by ICJ, Inc., which was incorporated by the Tokyo Stock Exchange, Inc., as the electromagnetic method of exercising voting rights for the General Meeting of Shareholders of the Company, in addition to exercise of voting via the Internet as described above, if an application for participation in the platform is made in advance.
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Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

Regarding the appropriation of surplus, the Company proposes the following.

Matters concerning year-end dividends

The Company recognizes the return of profits to shareholders as its most important management issue, and believes that the enhancement of corporate value over the medium to long term will serve as the greatest source of the return of profits. Moving forward, the Company will consider required internal reserves for business expansion, and upon comprehensively accounting for trends in business results and financial conditions, the Company believes that continuously conducting a stable dividend policy will contribute to the return of profits to shareholders over the medium to long term.

Based on the policies mentioned above, aiming to achieve a total return ratio of 45% or more as set out in the medium-term management plan, the Company proposes the following for the year-end dividend for the fiscal year under review.

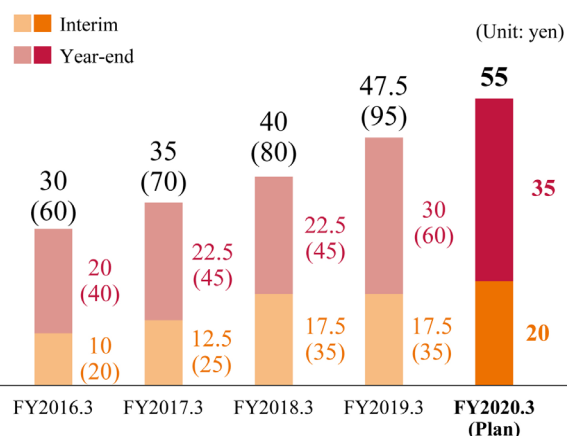
- (1) Matters concerning the allotment of dividend assets and the total amount

Amount per share of common stock: 35.0 yen
Total amount: 1,619,146,130 yen

Annual dividend for this fiscal year including the interim dividend of 20 yen that has been already paid will be 55 yen per share, an increase of 7.5 yen from the previous year.

- (2) Effective date of distribution of surplus
June 22, 2020

Dividend per share



* The Company carried out a two-for-one split of its common stock with an effective date of July 1, 2019. The figures in the parentheses for the reporting periods before the fiscal year ended March 31, 2019 represent the amount before the stock-split.

Proposal 2: Election of Ten (10) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to increase the number of Directors by one (1) to further enhance its management structure and elect ten (10) Directors.

The candidates are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings	Number of years served as Director
1	<u>Reelection</u> Koichi Nishida	Representative Director and President	11/11 (100%)	11 years
2	<u>New candidate</u> Tomoaki Kitamura	—	—	—
3	<u>Reelection</u> Takao Sakamoto	Director Managing Executive Officer	11/11 (100%)	11 years
4	<u>Reelection</u> Minoru Takeuchi	Director Managing Executive Officer	11/11 (100%)	10 years
5	<u>Reelection</u> Hirotoshi Kobayashi	Director Senior Executive Officer	11/11 (100%)	4 years
6	<u>Reelection</u> Isao Asami	Director Senior Executive Officer	9/9 (100%)	1 year
7	<u>Reelection</u> Tadayuki Hagiwara <u>Outside Independent</u>	Director	11/11 (100%)	8 years
8	<u>Reelection</u> Masayuki Hirata <u>Outside Independent</u>	Director	10/11 (90%)	5 years
9	<u>Reelection</u> Shinya Shishido <u>Outside Independent</u>	Director	9/9 (100%)	1 year
10	<u>New candidate</u> Shinichi Yamada <u>Outside Independent</u>	—	—	—

(Note) As Messrs. Isao Asami and Shinya Shishido assumed office on June 21, 2019, the number of meetings they attended and the attendance rates are for the meetings held after taking office (nine meetings of the Board of Directors).

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 <u>Reelection</u> Koichi Nishida (January 24, 1956) Number of years served as Director: 11 years (at the conclusion of the meeting)	June 2001 Head, Planning Department, Financial System Platforms Sector, NTT DATA Corporation November 2003 Deputy Head, Financial System Platforms Sector, NTT DATA Corporation May 2004 Deputy Head, Regional Banking System Platforms Sector, NTT DATA Corporation Head, General Banking Business Unit, NTT DATA Corporation June 2005 Senior Vice President, NTT DATA Corporation Head, Regional Banking System Platforms Sector, NTT DATA Corporation June 2009 Director and Vice President, the Company Executive Officer April 2010 Representative Director and President (current position) [Significant concurrent positions] Not applicable	44,641
[Reasons for nomination] Mr. Koichi Nishida has a wealth of experience in corporate management, including achievements in managing the financial sector of a major information and telecommunications company. He has been responsible for managing the Company as Representative Director and President since 2010. The Company expects that he will leverage his abundant experience and achievements to continue promoting the business of DTS Group (the “Group”) and playing a role in supervising its business execution. Therefore, the Company reappoints him as a candidate for Director.			
2	 <u>New candidate</u> Tomoaki Kitamura (September 24, 1964)	July 2003 Head, Business Development Sector, NTT DATA Corporation April 2006 Head, Planning Department, Business Solution Sector, NTT DATA Corporation July 2009 Head, Data Center Business Unit, Business Solution Sector, NTT DATA Corporation July 2012 Head, Data Center Business Unit, Fundamental System Platforms Sector, NTT DATA Corporation June 2015 President and CEO, NTT DATA TOKAI Corporation June 2018 Senior Vice President and Head, Business Solution Sector, NTT DATA Corporation (scheduled to retire in June 2020) Director, NTT DATA INTRAMART CORPORATION (scheduled to retire in June 2020) Director, NTT DATA BUSINESS SYSTEMS CORPORATION (scheduled to retire in June 2020) [Significant concurrent positions] Not applicable	—
[Reasons for nomination] Mr. Tomoaki Kitamura has a wealth of experience and a high level of insight in corporate management, including achievements in managing a major information and telecommunications company and its group companies. The Company expects that he will promote the business of the Group and play a role in supervising its business execution. Therefore, the Company appoints him as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	 Reelection Takao Sakamoto (January 4, 1961) Number of years served as Director: 11 years (at the conclusion of the meeting)	April 1987 Joined the Company April 2004 General Manager, Planning Department, Corporate Staff Division April 2007 Executive Officer June 2009 Director April 2013 General Manager, Human Resources Department March 2014 Representative Director and President, MIRUCA CORPORATION April 2016 Executive Managing Director, the Company April 2018 Representative Director and President, JAPAN SYSTEMS ENGINEERING Corporation (current position) April 2019 Director and Managing Executive Officer, the Company (current position) March 2020 Director, DTS palette Inc. (current position) [Significant concurrent positions] Representative Director and President, JAPAN SYSTEMS ENGINEERING Corporation Director, DTS palette Inc.	16,691
[Reasons for nomination] With his experience in administrative departments such as company-wide corporate planning and human resources, as well as his experience and track records of managing Group companies, Mr. Takao Sakamoto has been responsible for the management of the Company. The Company expects that he will leverage his experience and achievements to continue promoting the business of the Group and playing a role in supervising its business execution. Therefore, the Company reappoints him as a candidate for Director.			
4	 Reelection Minoru Takeuchi (June 21, 1961) Number of years served as Director: 10 years (at the conclusion of the meeting)	April 1985 Joined the Company April 2007 General Manager, Financial System Sector October 2007 Executive Officer June 2010 Director April 2016 Executive Managing Director July 2017 Chairman, DTS (Shanghai) Corporation (current position) Chairman, DTS SOFTWARE VIETNAM Co., LTD. (current position) April 2018 Chairman, DTS America Corporation (current position) March 2019 Chairman, DLSE Co., Ltd. (current position) April 2019 Director and Managing Executive Officer, the Company (current position) August 2019 Representative Director and Chairman, Japan Super Electronics Co., Ltd. (current position) September 2019 Chairman, Nelito Systems Limited (current position) [Significant concurrent positions] Chairman, DTS (Shanghai) Corporation Chairman, DTS SOFTWARE VIETNAM Co., LTD. Chairman, DTS America Corporation Chairman, DLSE Co., Ltd. Representative Director and Chairman, Japan Super Electronics Co., Ltd. Chairman, Nelito Systems Limited	13,598
[Reasons for nomination] With his experience and track records of organizational management in the financial sector, as well as of managing Group companies outside Japan, Mr. Minoru Takeuchi has been responsible for the management of the Company. The Company expects that he will leverage his experience and achievements to continue promoting the business of the Group and playing a role in supervising its business execution. Therefore, the Company reappoints him as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
5	 Reelection Hirotoshi Kobayashi (September 4, 1960) Number of years served as Director: 4 years (at the conclusion of the meeting)	April 1980 April 2008 April 2010 April 2014 March 2016 April 2016 June 2016 April 2019 April 2020 [Significant concurrent positions] President & CEO, Digital Technologies Corporation	Joined the Company General Manager, Planning Department, Corporate Staff Division Executive Officer Director, YOKOGAWA DIGITAL COMPUTER CORPORATION Director, ART System Co., Ltd. President & CEO, Digital Technologies Corporation (current position) General Manager, General Administration Department, the Company Director (current position) General Manager, ICS Sector (current position) Senior Executive Officer (current position)	10,048
	[Reasons for nomination] With his experience in organizational management in the industry and telecommunications sector and in company-wide corporate planning, as well as his experience and track records of managing Group companies, Mr. Hirotoshi Kobayashi has been responsible for the management of the Company. The Company expects that he will leverage his experience and achievements to continue promoting the business of the Group and playing a role in supervising its business execution. Therefore, the Company reappoints him as a candidate for Director.			
6	 Reelection Isao Asami (October 20, 1964) Number of years served as Director: 1 year (at the conclusion of the meeting)	April 1987 April 2010 April 2012 April 2013 April 2014 April 2015 April 2017 June 2019 April 2020 [Significant concurrent positions] Representative Director and President, DTS INSIGHT CORPORATION	Joined the Company General Manager, Corporate Planning Department Executive Officer General Manager, Embedded Systems Business Department, iCT Sector Director, YOKOGAWA DIGITAL COMPUTER CORPORATION Director, ART System Co., Ltd. Representative Director and President, ART System Co., Ltd. Representative Director and President, DTS INSIGHT CORPORATION (current position) Director, the Company (current position) Senior Executive Officer (current position) General Manager, Enterprise and Solution Sector (current position)	16,552
	[Reasons for nomination] With his experience in organizational management in the built-in software and telecommunications sector and in company-wide corporate planning, as well as his experience and track records of managing Group companies, Mr. Isao Asami has been responsible for the management of the Company. The Company expects that he will leverage his experience and achievements to continue promoting the business of the Group and playing a role in supervising its business execution. Therefore, the Company reappoints him as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	 Reelection Outside Independent Tadayuki Hagiwara (October 11, 1955) Number of years served as Director: 8 years (at the conclusion of the meeting)	April 2000 General Manager, IT Project Promotion Division, IT Promotion Department, Fuji Bank, Ltd. April 2002 Deputy General Manager, IT and Systems Control Department, Mizuho Corporate Bank, Ltd. March 2006 Executive Officer, General Manager, IT & Systems Control Department, Mizuho Bank, Ltd. June 2006 Director, the Company (retired in June 2010) April 2009 Executive Managing Director, Mizuho Bank, Ltd. April 2011 Managing Executive Officer, Mizuho Bank, Ltd. (retired in June 2011) June 2011 Senior General Manager, Mizuho Bank, Ltd. (retired in June 2012) June 2012 Director, the Company (current position) Representative Director and President, Avanti Staff Corporation (retired in January 2019) June 2013 Outside Corporate Auditor, FUYO AUTO LEASE CO., LTD. (retired in June 2017) January 2020 Outside Corporate Auditor, Tokyo Tatemono Real Estate Sales Co., Ltd. (current position) [Significant concurrent positions] Outside Corporate Auditor, Tokyo Tatemono Real Estate Sales Co., Ltd.	—
[Reasons for nomination] Mr. Tadayuki Hagiwara has experience being in charge of the IT division of a city bank and serving as a manager of a temp staff agency, and abundant experience and knowledge, etc. of the industry and as a manager. The Company expects that he will utilize this experience and knowledge in its management decisions and that he will contribute to strengthening the supervisory functions of business execution and provide advice from a broader perspective as an Outside Director. Therefore, the Company reappoints him as a candidate for Outside Director. He will have served as an Outside Director of the Company for eight (8) years as of the conclusion of this Annual General Meeting of Shareholders. [Matters concerning Independence] Mr. Tadayuki Hagiwara satisfies the requirements for independence as set forth by the Tokyo Stock Exchange. In comprehensive consideration of personal, capital and business relationships between the Company and Mr. Hagiwara, it is judged that there is no risk of a conflict of interests with general shareholders. Therefore, the Company has determined that his independence has been secured. Mr. Tadayuki Hagiwara previously served as Managing Executive Officer of Mizuho Bank, Ltd., which is one of our business partners. However, as it has already been nine years since he resigned from the bank, and he has not been involved in execution of business of the bank after his resignation, the Company has determined that his former position does not have any influence on his independence. The bank and the Group had business transactions totaling less than ¥300 million per year and less than 0.3% of net sales (consolidated results for the fiscal year ended March 31, 2020). The Company has no borrowings from financial institutions including the bank. Additionally, the bank's subsidiary Mizuho Information & Research Institute, Inc. and the Group had business transactions totaling less than ¥3.2 billion per year and less than 3.4% of net sales (consolidated results for the fiscal year ended March 31, 2020). Mr. Takayuki Hagiwara previously served as Representative Director and President of Avanti Staff Corporation, which is one of our business partners. However, as it has already been one year since he resigned from the said company, and he had not been involved in execution of business of the company after his resignation, the Company has determined that his former position does not have any influence on his independence. Avanti Staff Corporation and the Company had business transactions totaling less than ¥10 million per year and less than 0.1% of net sales (consolidated results for the fiscal year ended March 31, 2020). (Note) Mr. Tadayuki Hagiwara is a candidate for Outside Director. The Company has notified the Tokyo Stock Exchange that Mr. Tadayuki Hagiwara is an Independent Officer. If his election is approved, the Company will continue to designate him as an Independent Officer.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	 Reelection Outside Independent Masayuki Hirata (July 30, 1947) Number of years served as Director: 5 years (at the conclusion of the meeting)	June 1998 General Manager, Business Administration Department, Group Company Headquarters, NIPPON TELEGRAPH AND TELEPHONE CORPORATION July 1999 Head, Fourth Sector, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (retired in June 2000) June 2000 Member of the Board of Directors, General Manager of Affiliated Business Department, NTT DOCOMO, INC. June 2001 Executive Managing Director, General Manager of Accounts and Finance Department, NTT DOCOMO, INC. June 2004 Senior Executive Vice President, General Manager of Global Business Division, NTT DOCOMO, INC. (retired in June 2008) June 2008 President & CEO, InfoCom Research, Inc. (retired in June 2013) June 2013 Corporate Adviser, InfoCom Research, Inc. Outside Board Director, SKY Perfect JSAT Holdings Inc. (Retired in June 2016) July 2014 Adviser, InfoCom Research, Inc. June 2015 Outside Director, CHUCO Co., Ltd. (retired in June 2019) Director, the Company (current position) July 2016 Senior Fellow, InfoCom Research, Inc. (current position) [Significant concurrent positions] Senior Fellow, InfoCom Research, Inc.	—
[Reasons for nomination] Mr. Masayuki Hirata has wide-ranging operational experience in the telecommunications industry and abundant experience and a high level of insight regarding corporate management. The Company expects that he will utilize this experience and insight in its management decisions and that he will contribute to strengthening the supervisory functions of business execution and provide advice from a broader perspective as an Outside Director. Therefore, the Company reappoints him as a candidate for Outside Director. He will have served as an Outside Director of the Company for five (5) years as of the conclusion of this Annual General Meeting of Shareholders. [Matters concerning Independence] Mr. Masayuki Hirata satisfies the requirements for independence as set forth by the Tokyo Stock Exchange. In comprehensive consideration of personal, capital and business relationships between the Company and Mr. Hirata, it is judged that there is no risk of a conflict of interests with general shareholders. Therefore, the Company has determined that his independence has been secured. Mr. Masayuki Hirata previously served as an executive officer of InfoCom Research, Inc. However, the Company has no business relationship with said company. (Note) Mr. Masayuki Hirata is a candidate for Outside Director. The Company has notified the Tokyo Stock Exchange that Mr. Masayuki Hirata is an Independent Officer. If his election is approved, the Company will continue to designate him as an Independent Officer.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	 <u>Reelection</u> <u>Outside</u> <u>Independent</u> Shinya Shishido (September 29, 1948) Number of years served as Director: 1 year (at the conclusion of the meeting)	April 1998 General Manager, Systems Department, Japan Housing Finance Agency May 2001 General Manager, Osaka Branch, Japan Housing Finance Agency June 2003 Director, Japan Housing Finance Agency (retired in March 2007) April 2007 Managing Director, HGS Co., Ltd. (Retired in March 2011) June 2007 Representative Director and President, JLS. LTD. (retired in March 2011) April 2011 Chairman, Incorporated Administrative Agency Japan Housing Finance Agency (retired in March 2015) April 2015 Councillor, TOHOKU GAKUIN (retired in March 2019) May 2016 Director, Escrow Agent Japan, Inc. (retired in May 2019) June 2019 Director, the Company (current position) [Significant concurrent positions] Not applicable	—
[Reasons for nomination] Mr. Shinya Shishido has abundant experience and a high level of insight as a manager in the housing loan industry and the real estate industry. The Company expects that he will utilize this experience and insight in its management decisions and that he will contribute to strengthening the supervisory functions of business execution and provide advice from a broader perspective as an Outside Director. Therefore, the Company reappoints him as a candidate for Outside Director. He will have served as an Outside Director of the Company for one (1) year as of the conclusion of this Annual General Meeting of Shareholders. [Matters concerning Independence] Mr. Shinya Shishido satisfies the requirements for independence as set forth by the Tokyo Stock Exchange. In comprehensive consideration of personal, capital and business relationships between the Company and Mr. Shishido, it is judged that there is no risk of a conflict of interests with general shareholders. Therefore, the Company has determined that his independence has been secured. Mr. Shinya Shishido previously served as an executive officer of HGS Co., Ltd., JLS. LTD., Incorporated Administrative Agency Japan Housing Finance Agency, and Escrow Agent Japan, Inc. However, the Company has no business relationship with these companies. (Note) Mr. Shinya Shishido is a candidate for Outside Director. The Company has notified the Tokyo Stock Exchange that Mr. Shinya Shishido is an Independent Officer. If his election is approved, the Company will continue to designate him as an Independent Officer.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
	 New candidate Outside Independent Shinichi Yamada (February 25, 1952)	June 2003 Director and Deputy Head, Business Development Sector, NTT DATA Corporation May 2004 Director and Head, Business Development Sector, NTT DATA Corporation June 2005 Senior Vice President and Head, Fundamental System Platforms Sector, NTT DATA Corporation June 2007 President and CEO, NTT DATA INTELLILINK Corporation (retired in June 2011) Executive Vice President; Head, Fundamental System Platforms Sector and Head, Technology Development Sector, NTT DATA Corporation June 2009 Representative Director and Executive Vice President; Head, Fundamental System Platforms Sector and Head, Technology Development Sector, NTT DATA Corporation July 2009 Representative Director and Executive Vice President; Head, S&T Company; Head, SI Competency Sector and Head, Technology Development Sector, NTT DATA Corporation (retired in June 2011) June 2011 President and CEO, NTT Software Corporation (retired in March 2017) April 2017 Director, NTT TechnoCross Corporation (retired in June 2017) June 2017 Special Advisor, NTT TechnoCross Corporation (retired in June 2018) [Significant concurrent positions] Not applicable	—
10	[Reasons for nomination] Mr. Shinichi Yamada has abundant experience and a high level of insight regarding the industry trends and corporate management in the IT industry. The Company expects that he will utilize this experience and insight in its management decisions and that he will contribute to strengthening the supervisory functions of business execution and provide advice from a broader perspective as an Outside Director. Therefore, the Company appoints him as a candidate for Outside Director. [Matters concerning Independence] Mr. Shinichi Yamada satisfies the requirements for independence as set forth by the Tokyo Stock Exchange. In comprehensive consideration of personal, capital and business relationships between the Company and Mr. Yamada, it is judged that there is no risk of a conflict of interests with general shareholders. Therefore, the Company has determined that his independence has been secured. Mr. Shinichi Yamada previously served as Representative Director and Executive Vice President of NTT DATA Corporation, which is one of our business partners. However, as it has already been nine years since he resigned from said company, and he has not been involved in execution of business of the company after his resignation, the Company has determined that his former position does not have any influence on his independence. NTT DATA Corporation and the Group had business transactions totaling less than ¥9.0 billion per year and less than 10% of net sales (consolidated results for the fiscal year ended March 31, 2020). Furthermore, Mr. Shinichi Yamada previously served as President and CEO of NTT DATA INTELLILINK Corporation, which is one of our business partners. However, as it has already been nine years since he resigned from said company, and he has not been involved in execution of business of the company after his resignation, the Company has determined that his former position does not have any influence on his independence. NTT DATA INTELLILINK Corporation and the Group had business transactions totaling less than ¥30 million per year and less than 0.1% of net sales (consolidated results for the fiscal year ended March 31, 2020). Additionally, Mr. Shinichi Yamada previously served as Director of NTT TechnoCross Corporation (NTT Software Corporation and NTT-IT Corporation were merged into NTT TechnoCross Corporation), which is one of our business partners. However, as it has already been three years since he resigned from said company, and he has not been involved in execution of business of the company after his resignation, the Company has determined that his former position does not have any influence on his independence. NTT TechnoCross Corporation and the Company had business transactions totaling less than ¥40 million per year and less than 0.1% of net sales (consolidated results for the fiscal year ended March 31, 2020). (Note) Mr. Shinichi Yamada is a candidate for Outside Director. If his election is approved, the Company plans to notify the Tokyo Stock Exchange that Mr. Shinichi Yamada is an Independent Officer.		

(Notes)

1. There are no special interests between each candidate for Director and the Company.
2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Messrs. Tadayuki Hagiwara, Masayuki Hirata, and Shinya Shishido to limit their liability stipulated in Article 423, Paragraph 1 of the Companies Act. Under the agreement, their liability is limited to one (1) million yen or the amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is greater. If the reappointment of each of these candidates is approved, the Company plans to continue these liability limitation agreements with the candidates. If the election of Mr. Shinichi Yamada is approved, the Company plans to enter into a similar agreement to limit his liability with him.

Proposal 3: Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Mr. Kenji Yukimoto will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) Corporate Auditor is proposed. (If this Proposal is approved and resolved, there will be four (4) Corporate Auditors, including incumbent Corporate Auditors.)

The Board of Corporate Auditors has given its consent to this Proposal.

The candidate is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
 Reelection Outside Independent Kenji Yukimoto (April 10, 1949) Number of years served as Corporate Auditor 4 years (at the conclusion of the meeting)	September 1974 Joined PriceWaterhouse Certified Public Accountant Firm March 1977 Registered as Certified Public Accountant January 1992 Representative Partner, Aoyama Audit Corporation April 2000 Representative Partner, ChuoAoyama PricewaterhouseCoopers May 2007 Senior Partner, Ernst & Young ShinNihon (retired in June 2010) July 2010 President, Yukimoto Kenji Certified Public Accountant Office (current position) August 2010 Director, Alpha Profession Group (current position) March 2013 Outside Corporate Auditor, Kyodo Public Relations (current position) June 2016 Corporate Auditor, the Company (current position) [Significant concurrent positions] President, Yukimoto Kenji Certified Public Accountant Office Director, Alpha Profession Group Outside Corporate Auditor, Kyodo Public Relations	—
[Reasons for nomination] Mr. Kenji Yukimoto is certified as a certified public accountant, and in order to utilize his knowledge, experience, insights, etc. regarding finance and accounting in the audit structure of the Company, the Company reappoints him as a candidate for Outside Corporate Auditor. He will have served as an Outside Corporate Auditor for four (4) years as of the conclusion of this Annual General Meeting of Shareholders. [Matters concerning Independence] Mr. Kenji Yukimoto satisfies the requirements for independence as set forth by the Tokyo Stock Exchange. In comprehensive consideration of personal, capital and business relationships between the Company and Mr. Yukimoto, it is judged that there is no risk of a conflict of interests with general shareholders. Therefore, the Company has determined that his independence has been secured. Mr. Yukimoto serves as an executive officer of Yukimoto Kenji Certified Public Accountant Office and Alpha Profession Group. However, the Company has no business relationship with these companies. (Note) Mr. Kenji Yukimoto is a candidate for Outside Corporate Auditor. The Company has notified the Tokyo Stock Exchange that Mr. Kenji Yukimoto is an Independent Officer. If his election is approved, the Company will continue to designate him as an Independent Officer.		

(Notes)

1. There are no special interests between Mr. Kenji Yukimoto and the Company.
2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Kenji Yukimoto to limit his liability stipulated in Article 423, Paragraph 1 of the Companies Act. Under the agreement, liability is limited to one (1) million yen or the amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is greater. If his reappointment is approved, the Company plans to continue the liability limitation agreement with the candidate.

Proposal 4: Election of an Accounting Auditor

Deloitte Touche Tohmatsu LLC, the Company's accounting auditor will retire due to expiration of its term of office at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of a new accounting auditor, Ernst & Young ShinNihon LLC based on the resolution of the Board of Corporate Auditors.

As the current accounting auditor has been serving for an extended period, the Board of Corporate Auditors compared and evaluated multiple candidates including the current accounting auditor. Consequently, the Company believes that the change of an accounting auditor can bring new perspectives and methods. Comprehensively considering expertise, independence and quality control structure required for an accounting auditor of the Company, as well as a degree of understanding of the Company's business segments, the Company has determined that Ernst & Young ShinNihon LLC is the most suited, and therefore selected it as a candidate for a new accounting auditor.

The main office location and corporate history of the new accounting auditor candidate are as follows:

(As of March 31, 2020)

Name	Ernst & Young ShinNihon LLC		
Main office location	1-1-2 Yurakucho, Chiyoda-ku, Tokyo		
History	April 2000	Ota Showa Century Audit Corporation established	
	July 2001	Renamed to ShinNihon Audit Corporation	
	July 2008	Renamed to ShinNihon LLC	
	July 2018	Renamed to Ernst & Young ShinNihon LLC	
Summary	Capital:	¥1,040 million	
	Personnel composition:	Certified Public Accountant (CPA)	3,037 persons
		Employees who passed CPA exam	1,037 persons
		Others	1,386 persons
		Total	5,460 persons
	Number of audit clients:	3,774 companies	