

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 3079

June 2, 2020

To Our Shareholders:

Hiroshi Shibasaki

President & CEO

**DVx Inc.**

Registered Office: 16-1 Kotakecho 1-chome, Nerima-ku, Tokyo

Head Office: 17-22 Takada 2-chome, Toshima-ku, Tokyo

## Notice of the 34th Annual General Meeting of Shareholders

DVx Inc. (the “Company”) would like to inform you that the 34th Annual General Meeting of Shareholders of the Company will be held as indicated below.

**If you are unable to attend the Meeting in person, you may exercise your voting rights by either of the methods below. Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights.**

### Guide for Exercising Voting Rights

#### [Exercising Voting Rights by Attending the Meeting]

When you attend the Meeting, you are kindly requested to present the enclosed voting card at the reception.

#### [Exercising Voting Rights by Mail]

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting card, and return the card to us so that it arrives before 5:30 p.m. on Tuesday, June 23, 2020 (JST).

#### [Exercising Voting Rights via the Internet]

Please access the website (<https://evote.tr.mufg.jp/>) and enter your vote of approval or disapproval of each proposal before 5:30 p.m. on Tuesday, June 23, 2020 (JST).

\*Please review the “Guide for Exercising Voting Rights via the Internet” on page 3 to exercise your voting rights via the Internet.

1. **Date and Time:** Wednesday, June 24, 2020, at 10:00 a.m. (Reception start time: 9:30 a.m.)

2. **Venue:** Banquet Room Akebono, 2nd floor, Hotel Metropolitan  
6-1 Nishi-ikebukuro 1-chome, Toshima-ku, Tokyo

3. **Purpose of the Meeting**  
**Matters to be reported**

The Business Report and the Financial Statements for the 34th fiscal year (from April 1, 2019 to March 31, 2020)

#### **Matters to be resolved**

**Proposal No. 1:** Partial Amendments to the Articles of Incorporation

**Proposal No. 2:** Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

**Proposal No. 3:** Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

**Proposal No. 4:** Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

**Proposal No. 5:** Determination of Amounts of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

**Proposal No. 6:** Determination of Amounts of Remuneration for Directors Who Are Audit and Supervisory Committee Members

**Proposal No. 7:** Payment of Retirement Benefits to a Retired Director and a Retired Audit & Supervisory Board Member and Final Payment of Retirement Benefits in Conjunction with Abolition of Retirement Benefit Plan for Officers

**Proposal No. 8:** Determination of Remuneration to Allot the Restricted Stocks to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

**4. Arrangements in Convening the Meeting**

Pursuant to the relevant laws and regulations and Article 13 of the Company's Articles of Incorporation, the notes to the Financial Statements, among documents to be provided with this notice, are posted on the Company's website (<http://www.dvx.jp>) and are not available in this notice.

Accordingly, the documents provided with this notice are part of the Non-consolidated Financial Statements audited by Audit & Supervisory Board Members in preparing their audit report and by the Accounting Auditor in preparing its audit report, respectively.

◎ **Considering the fair treatment of shareholders who attend the General Meeting of Shareholders and those for whom it is difficult to attend the Meeting, we have decided not to provide souvenirs to shareholders on the day of the Meeting. We would ask for your kind understanding of this decision.**

◎ When you attend the Meeting, you are kindly requested to present the enclosed voting card at the reception.

◎ If any changes are made to the Reference Documents for General Meeting of Shareholders, such changes will be posted on the Company's website.

**Company's website (<http://www.dvx.jp>)**

## Guide for Exercising Voting Rights

You may exercise your voting rights by any of the three (3) methods below.

### [Attending the Meeting]

You are kindly requested to present the enclosed voting card **at the reception**.

**Date and Time:** Wednesday, June 24, 2020, at 10:00 a.m. (Reception start time: 9:30 a.m.)

**Venue:** Banquet Room Akebono, 2nd floor, Hotel Metropolitan  
6-1 Nishi-ikebukuro 1-chome, Toshima-ku, Tokyo

### [Exercising Voting Rights by Mail]

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting card, and post it to the Company without postage stamp.

**Exercise due date:** To be received no later than 5:30 p.m. on Tuesday, June 23, 2020 (JST).

### [Exercising Voting Rights via the Internet]

Please access the website (<https://evote.tr.mufig.jp/>) via a PC, smartphone or mobile phone, and enter your vote of approval or disapproval of each proposal by using the login ID and temporary password shown on the enclosed voting card and following on-screen instructions.

**Exercise due date:** No later than 5:30 p.m. on Tuesday, June 23, 2020 (JST).

If you exercise your voting rights both by mail and via the Internet, the one exercised via the Internet will be deemed valid. In addition, if you exercise your voting rights more than once via the Internet, the last vote will be deemed valid.

## Guide for Exercising Voting Rights via the Internet

### Scanning QR code®

You can simply login to the Voting Rights Website without entering your login ID and temporary password printed on the voting card.

1. Scan the QR code® located on the right side of the voting card.

\* “QR code” is a registered trademark of  
DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

### Entering login ID and temporary password

Voting Rights Website: <https://evote.tr.mufig.jp/>

1. Access the Voting Rights Website.
2. Enter your “login ID” and “temporary password” printed on the voting card, and click.
3. Register a new password.
4. Indicate your approval or disapproval by following the instructions on the screen.

**Note that you can login to the website only once by using QR code®.**

If you wish to redo your vote or exercise your voting rights without using QR code®, please refer to “Entering login ID and temporary password” on the right.

**In case you need instructions for how to operate your personal computer/smartphone/mobile phone in order to exercise your voting rights via the Internet, please contact:**

Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Department Help Desk

Tel: 0120-173-027 (Toll free only from Japan / Hours: 9:00 a.m. to 9:00 p.m. JST)

Institutional investors can utilize the electronic voting platform operated by ICJ, Inc.

## Reference Documents for General Meeting of Shareholders

### Proposals and Reference Information

#### Proposal No. 1: Partial Amendments to the Articles of Incorporation

##### 1. Reasons for the proposal

The reasons for the proposal are as follows.

- (1) The Company will make the required amendments such as establishing new provisions concerning Audit and Supervisory Committee and Directors who are Audit and Supervisory Committee Members as well as deleting provisions concerning the Audit & Supervisory Board Members and the Audit & Supervisory Board. This is in order to make the transition to a Company with an Audit and Supervisory Committee with the aim of boosting the Board of Directors' oversight function and enhancing corporate governance further through greater strengthening of the monitoring system.
- (2) The Company will make changes of items such as the number of Officers, the matter of Directors with special titles, and the matter of convener and chairperson of a meeting of the Board of Directors, with the aim of responding to the business environment speedily.
- (3) In addition to the above, the Company will add language and correct words and phrases to further clarify provisions. The Company has obtained consent from each of the Audit & Supervisory Board Members concerning the revision of the provision on the Director's exemption from liability prescribed in Article 29 of the Articles of Incorporation.
- (4) The amendments to the Articles of Incorporation under this proposal will take effect at the end of the General Meeting of Shareholders.

##### 2. Details of the amendments

The details of the amendments are as follows:

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 2. (Purpose)</p> <p>The purpose of the Company shall be to engage in the following businesses:</p> <p style="padding-left: 40px;">(1) - (9) (Omitted)</p> <p style="padding-left: 40px;">(10) Any and all <u>services</u> and investments incidental or related to the foregoing.</p> <p>Article 3. (Omitted)</p> <p style="text-align: center;">(Newly established)</p> <p>Article <u>4</u>. - Article <u>5</u>. (Omitted)</p>	<p>Article 2. (Purpose)</p> <p>The purpose of the Company shall be to engage in the following businesses:</p> <p style="padding-left: 40px;">(1) - (9) (Unchanged)</p> <p style="padding-left: 40px;">(10) Any and all <u>businesses</u> and investments incidental or related to the foregoing.</p> <p>Article 3. (Unchanged)</p> <p><u>Article 4. (Governance Components)</u></p> <p><u>The Company shall have, in addition to General Meeting of Shareholders and Directors, the following governance components:</u></p> <p style="padding-left: 40px;"><u>(1) Board of Directors;</u></p> <p style="padding-left: 40px;"><u>(2) Audit and Supervisory Board</u></p> <p style="padding-left: 40px;"><u>(3) Accounting Auditor</u></p> <p>Article <u>5</u>. - Article <u>6</u>. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>6</u>. (Number of Share per Share Unit)  <u>The number of shares constituting one (1) unit of shares</u> of the Company shall be one hundred (100) shares.</p> <p>Article <u>7</u>. (Restriction on Rights of Holders of Shares Less Than One Unit)  Any <u>shareholder</u> of the Company <u>holding shares less than one unit</u> may not exercise any right other than the rights set forth below with respect to the shares less than one unit held by such shareholder:  (1) - (2) (Omitted)  (3) The right to receive an allotment of shares for subscription <u>or</u> share options for subscription in proportion to the number of shares held by such shareholder.</p> <p>Article <u>8</u>. (Omitted)</p> <p>Article <u>9</u>. (Share Handling Regulations)  The entries or records in the shareholders register and share acquisition right register, purchase of shares less than one unit, any other handling regarding shares or share acquisition right and fees as well as procedures for exercise of rights of shareholders, etc. shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to the provisions of laws and regulations or these Articles of Incorporation.</p> <p>Article <u>10</u>. - Article <u>11</u>. (Omitted)</p> <p>Article <u>12</u>. (Person Authorized to Convene Meetings and Chairperson)  1. Except as otherwise provided for in laws and regulations, <u>the Director and President shall convene</u> General Meetings of Shareholders by resolution of the Board of Directors. <u>If the Director and President is unable to do so, any of the other Directors shall convene a meeting in the order prescribed in advance by the Board of Directors.</u>  2. <u>The Director and President shall preside over General Meetings of Shareholders. If the Director and President is unable to do so, any of the other Directors shall preside over a meeting in the order prescribed in advance by the Board of Directors.</u></p> <p>Article <u>13</u>. - Article <u>16</u>. (Omitted)</p>	<p>Article <u>7</u>. (Number of Share per Share Unit)  <u>The share unit number</u> of the Company shall be one hundred (100) shares.</p> <p>Article <u>8</u>. (Restriction on Rights of Holders of Shares Less Than One Unit)  Any <u>shareholder</u> of the Company may not exercise any right other than the rights set forth below with respect to the shares less than one unit held by such shareholder:  (1) - (2) (Unchanged)  (3) The right to receive an allotment of shares for subscription <u>and</u> an allotment of share options for subscription in proportion to the number of shares held by such shareholder</p> <p>Article <u>9</u>. (Unchanged)</p> <p>Article <u>10</u>. (Share Handling Regulations)  The entries or records in <u>the Company's</u> shareholders register and share acquisition right register, purchase of shares less than one unit, any other handling regarding shares or share acquisition right and fees as well as procedures for exercise of rights of shareholders, etc. shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to the provisions of laws and regulations or these Articles of Incorporation.</p> <p>Article <u>11</u>. - Article <u>12</u>. (Unchanged)</p> <p>Article <u>13</u>. (Convener and Chairperson)  1. Except as otherwise provided for in laws and regulations, <u>a Representative Director shall convene and preside over</u> General Meetings of Shareholders by resolution of the Board of Directors. <u>If there is more than one Representative Directors, the Representative Director who is prescribed in advance by the Board of Directors shall convene and preside over General Meetings of Shareholders.</u>  2. <u>If the Representative Director is unable to do so, any of the other Directors shall take his or her place in the order prescribed in advance by resolution of the Board of Directors.</u></p> <p>Article <u>14</u>. - Article <u>17</u>. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 17. (Establishment of the Board of Directors)</u>  <u>The Company shall have the Board of Directors.</u></p> <p>Article 18. (Number of Directors)  The Company <u>shall have not more than ten (10) Directors.</u></p> <p>(Amended after moving from Article 19, paragraph 1)</p> <p>(Newly established)</p> <p>(Moved from Article 19, paragraph 2)</p> <p>(Moved from Article 19, paragraph 3)</p> <p>Article 19. (Election of Directors)  1. Directors shall be elected by resolution of a General Meeting of Shareholders.  2. A resolution for the election of Directors shall be adopted by a majority of the votes represented in person at a meeting where shareholders holding at least one-third (1/3) of the voting rights of shareholders entitled to vote are present.  3. No cumulative voting shall be used for a resolution for the election of Directors.</p> <p>Article 20. (Term of Office of Directors)  The term of office of Directors shall be until the conclusion of the annual General Meeting of Shareholders pertaining to the last business year out of the business years terminating within one (1) year following their election.</p>	<p>(Deleted)</p> <p>Article 18. (Number <u>and Election</u> of Directors)  1. The Company <u>shall have not more than eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members), and not more than five (5) Directors who are Audit and Supervisory Committee Members.</u>  2. Directors shall be elected by resolution of a General Meeting of Shareholders, <u>distinguishing between Directors who are Audit and Supervisory Committee Members and Directors who are not.</u>  3. The Company may elect substitute Directors who are Audit and Supervisory Committee Members at the General Meeting of Shareholders to provide for the case where there is a vacancy which results in a shortfall in the number of Directors who are Audit and Supervisory Committee Members prescribed by laws and regulations.  4. A resolution for the election of Directors shall be adopted by a majority of the votes represented in person at a meeting where shareholders holding at least one-third (1/3) of the voting rights of shareholders entitled to vote are present.  5. No cumulative voting shall be used for a resolution for the election of Directors.</p> <p>(Amended after moving to Article 18, paragraph 2)</p> <p>(Moved to Article 18, paragraph 4)</p> <p>(Moved to Article 18, paragraph 5)</p> <p>Article 19. (Term of Office of Directors)  1. The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall be until the conclusion of the annual General Meeting of Shareholders pertaining to the last business year out of the business years terminating within one (1) year following their election.</p>

(Newly established)	2.	<u>The term of office of Directors who are Audit and Supervisory Committee Members shall be until the conclusion of the annual General Meeting of Shareholders pertaining to the last business year out of the business years terminating within two (2) years following their election.</u>
(Newly established)	3.	<u>The resolution concerning the election of substitute Directors who are Audit and Supervisory Committee Member shall remain in effect until the commencement of the annual General Meeting of Shareholders for the last business year that ends within two (2) years from the time of this resolution.</u>
(Newly established)	4.	<u>The term of office of a Director who is an Audit and Supervisory Committee Member elected to fill a vacancy of a Director who is an Audit and Supervisory Committee Member who has resigned prior to the expiration of his or her term of office shall expire when the term of office of the resigned Director who is an Audit and Supervisory Committee Member expires.</u>



Current Articles of Incorporation	Proposed Amendments
<p>Article 21. (Representative Director(s) and Directors with Special Titles)</p> <p>1. <u>The Company shall appoint a Representative Director by resolution of the Board of Directors.</u></p> <p>2. A Representative Director shall represent the Company and execute the services of the Company.</p> <p>3. The Board of Directors <u>shall</u>, by its resolution, <u>appoint one (1) Director and President may, as necessary, appoint several Director and Chairman, Director and Executive Vice Presidents, Senior Managing Directors, and Managing Directors.</u></p> <p>Article 22. (Person Authorized to Convene Meetings and Chairperson of the Board of Directors) Except as otherwise provided for in laws and regulations, <u>the Director and President shall convene and preside over the Board of Directors meetings. If the Director and President is unable to do so, any of the other Directors shall convene and preside over a meeting in the order prescribed in advance by the Board of Directors.</u></p> <p>Article 23. (Notice of Convocation of the Board of Directors Meeting) A notice of convocation of the Board of Directors meeting shall be dispatched to each Director <u>and each Audit &amp; Supervisory Board Member</u> at least three (3) days prior to the date of the meeting; provided, however, that in the event of any emergency, such period may be shortened.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>Article 24. (Omitted)</p>	<p>Article 20. (Representative Director(s) and Directors with Special Titles)</p> <p>1. <u>The Board of Directors shall, by its resolution, appoint a Representative Director from among Directors (excluding Directors who are Audit and Supervisory Committee Members).</u></p> <p>2. A Representative Director shall represent the Company and execute the operations of the Company.</p> <p>3. The Board of Directors <u>may</u>, by its resolution, <u>establish a position of Director with special titles, and appoint several Directors with special titles from among Directors (excluding Directors who are Audit and Supervisory Committee Members) as necessary.</u></p> <p>Article 21. (Convener and Chairperson of the Board of Directors) Except as otherwise provided for in laws and regulations, <u>the Director prescribed in advance by the Board of Directors shall convene and preside over of the Board of Directors meetings. If such Director is unable to do so, any of the other Directors shall convene and preside over a meeting in the order prescribed in advance by the Board of Directors.</u></p> <p>Article 22. (Notice of Convocation of the Board of Directors Meeting)</p> <p>1. <u>A notice of convocation of the Board of Directors meeting shall be dispatched to each Director at least three (3) days prior to the date of the meeting; provided, however, that in the event of any emergency, such period may be shortened.</u></p> <p>2. <u>The Board of Directors meetings may be held without following the convocation procedures with the consent of all Directors.</u></p> <p>Article 23. (Delegation of Decisions on Execution of Important Operations) <u>Pursuant to the provisions of Article 399-13, paragraph (6) of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of decisions on execution of important operations (excluding the matters stipulated in each item of Article 399-13, paragraph (5) of the said Act) to Directors.</u></p> <p>Article 24. (Unchanged)</p>

<p>Article 25. (Omission of Resolutions of the Board of Directors)</p> <p>With respect to the matters to be resolved by the Board of Directors, the Company shall deem that such matters have been approved by resolution of the Board of Directors if all Directors express their consent in writing or electromagnetic form: <u>provided, however, that this shall not apply when Audit &amp; Supervisory Board Members express their objection.</u></p>	<p>Article 25. (Omission of Resolutions of the Board of Directors)</p> <p>With respect to the matters to be resolved by the Board of Directors, the Company shall deem that such matters have been approved by resolution of the Board of Directors if all Directors express their consent in writing or electromagnetic form.</p>
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Current Articles of Incorporation	Proposed Amendments
<p>Article 26. (Minutes of the Board of Directors) The substance of the proceedings of a Board of Directors meeting and results thereof as well as other matters prescribed by laws and regulations shall be described or recorded in the minutes, and the <u>Directors and Audit &amp; Supervisory Board Members</u> present at the meeting shall affix their names and seals or electronic signatures thereto.</p> <p>Article 27. (Omitted)</p> <p>Article 28. (Remunerations, etc. for Directors) Remunerations, etc. for Directors shall be determined by resolution of a General Meeting of Shareholders.</p> <p>Article 29. (Exemption from Liability of Directors)</p> <ol style="list-style-type: none"> <li>1. <u>In accordance with</u> the provisions of Article 426, paragraph (1) of the Companies Act, the Company <u>may</u>, by resolution of the Board of Directors, <u>exempt</u> Directors (including former Directors) from their liability for damages provided for in Article 423, paragraph (1) of <u>the Companies Act to the extent of the amount obtained by deducting the minimum liability amount stipulated by laws and regulations from the liability amount if the requirements prescribed by laws and regulations are met.</u></li> <li>2. The Company may enter into an agreement with outside Directors to limit their liability for damages <u>if the requirements prescribed by laws and regulations are met with respect to the liability for damages</u> provided for in Article 423, paragraph (1) of the Companies Act; provided, however, that the maximum amount of the liability for damages under such agreement <u>shall be either the amount specified in advance that is not less than 3 million yen or the minimum liability amount stipulated by laws and regulations, whichever is greater.</u></li> </ol>	<p>Article 26. (Minutes of the Board of Directors) The substance of the proceedings of a Board of Directors meeting and results thereof as well as other matters prescribed by laws and regulations shall be described or recorded in the minutes, and the Directors present at the meeting shall affix their names and seals or electronic signatures thereto.</p> <p>Article 27. (Unchanged)</p> <p>Article 28. (Remunerations, etc. for Directors) Remunerations, etc. for Directors shall be determined by resolution of a General Meeting of Shareholders, <u>distinguishing between Directors who are Audit and Supervisory Committee Members and Directors who are not.</u></p> <p>Article 29. (Exemption from Liability of Directors)</p> <ol style="list-style-type: none"> <li>1. <u>Pursuant to</u> the provisions of Article 426, paragraph (1) of the Companies Act, the Company <u>may</u>, by resolution of the Board of Directors, <u>exempt</u> Directors (including former Directors) from their liability for damages provided for in Article 423, paragraph (1) of <u>the said Act to the extent permitted by laws and regulations.</u></li> <li>2. <u>Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act,</u> the Company may enter into an agreement with Directors <u>(excluding those who are executive directors, etc.)</u> to limit their liability for damages provided for in Article 423, paragraph (1) of the said Act; provided, however, that the maximum amount of the liability for damages under such agreement <u>shall be the amount stipulated by laws and regulations.</u></li> </ol>

Current Articles of Incorporation	Proposed Amendments
<p><u>Chapter V. Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</u></p> <p><u>Article 30. (Establishment of Audit &amp; Supervisory Board Members and the Audit &amp; Supervisory Board)</u>  <u>The Company shall have Audit &amp; Supervisory Board Members and the Audit &amp; Supervisory Board.</u></p> <p><u>Article 31. (Number of Audit &amp; Supervisory Board Members)</u></p> <p>1. <u>The Company shall have not more than four (4) Audit &amp; Supervisory Board Members.</u></p> <p>2. <u>Pursuant to the provisions of Article 329, paragraph (3) of the Companies Act, the Company may elect substitute Audit &amp; Supervisory Board Members to provide for the case where there is a vacancy which results in a shortfall in the number of Audit &amp; Supervisory Board Members prescribed by laws and regulations.</u></p> <p><u>Article 32. (Election of Audit &amp; Supervisory Board Members)</u></p> <p>1. <u>Audit &amp; Supervisory Board Members and substitute Audit &amp; Supervisory Board Members shall be elected by resolution of a General Meeting of Shareholders.</u></p> <p>2. <u>A resolution for the election of Audit &amp; Supervisory Board Members and substitute Audit &amp; Supervisory Board Members shall be adopted by a majority of the votes represented in person at a meeting where shareholders holding at least one-third (1/3) of the voting rights of shareholders entitled to vote are present.</u></p> <p><u>Article 33. (Term of Office of Audit &amp; Supervisory Board Members)</u></p> <p>1. <u>The term of office of an Audit &amp; Supervisory Board Members shall be until the conclusion of the annual General Meeting of Shareholders pertaining to the last business year out of the business years terminating within four (4) years following his or her election.</u></p> <p>2. <u>The term of office of an Audit &amp; Supervisory Board Member who has been elected as the substitute to fill a vacancy shall expire when the term of office of the resigned Audit &amp; Supervisory Board Member expires.</u></p> <p>3. <u>The period during which the resolution for the election of a substitute Audit &amp; Supervisory Board Member elected pursuant to the provisions of Article 329, paragraph (3) of the Companies Act is in effect shall be until the start of the annual General Meeting</u></p>	<p><u>Chapter V. Audit and Supervisory Committee</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>

<p><u>of Shareholders pertaining to the last business year out of the business years terminating within four (4) years following his or her election.</u></p> <p>4. <u>In the case where the substitute Audit &amp; Supervisory Board Member referred to in the preceding paragraph assumes the office of Audit &amp; Supervisory Board Member, the term of his or her office shall expire when the term of office of the resigned Audit &amp; Supervisory Board Member expires; provided, however, that such term may not exceed the time of conclusion of the annual General Meeting of Shareholders pertaining to the last business year out of the business years terminating within four (4) years following his or her election.</u></p> <p><u>Article 34. (Standing Audit &amp; Supervisory Board Members)</u>  <u>The Audit &amp; Supervisory Board shall, by its resolution, appoint Standing Audit &amp; Supervisory Board Members.</u></p> <p><u>Article 35. (Notice of Convocation of Audit &amp; Supervisory Board Meetings)</u>  <u>A notice of convocation of an Audit &amp; Supervisory Board meeting shall be dispatched to each Audit &amp; Supervisory Board Member at least three (3) days prior to the date of the meeting; provided, however, that in the event of any emergency, such period may be shortened.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p>
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Current Articles of Incorporation	Proposed Amendments
<p><u>Article 36. (Method of Resolutions of the Audit &amp; Supervisory Board)</u>  <u>Except as otherwise provided for in laws and regulations, resolutions of the Audit &amp; Supervisory Board shall be adopted by a majority of the Audit &amp; Supervisory Board Members.</u></p>	(Deleted)
<p><u>Article 37. (Regulations of the Audit &amp; Supervisory Board)</u>  <u>Matters relating to the Audit &amp; Supervisory Board shall be governed by the Regulations of the Audit &amp; Supervisory Board established by the Audit &amp; Supervisory Board, in addition to the provision of laws and regulations or these Articles of Incorporation.</u></p>	(Deleted)
<p><u>Article 38. (Remunerations, etc. for Audit &amp; Supervisory Board Members)</u>  <u>Remunerations, etc. for Audit &amp; Supervisory Board Members shall be determined by resolution of a General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>Article 39. (Exemption from Liability of Audit &amp; Supervisory Board Members)</u>  1. <u>In accordance with the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from their liability for damages provided for in Article 423, paragraph (1) of the Companies Act to the extent of the amount obtained by deducting the minimum liability amount stipulated by laws and regulations from the liability amount if the requirements prescribed by laws and regulations are met.</u>  2. <u>The Company may enter into an agreement with outside Audit &amp; Supervisory Board Members to limit their liability for damages if the requirements prescribed by laws and regulations are met with respect to the liability for damages provided for in Article 423, paragraph (1) of the Companies Act; provided, however, that the maximum amount of the liability for damages under such agreement shall be either the amount specified in advance that is not less than 3 million yen or the minimum liability amount stipulated by laws and regulations, whichever is greater.</u></p>	(Deleted)
(Newly established)	<p><u>Article 30. (Standing Audit and Supervisory Committee Member)</u>  <u>The Audit and Supervisory Committee may, by its resolution, appoint standing Audit and Supervisory</u></p>

(Newly established)	<p><u>Committee Members from among Audit and Supervisory Committee Members.</u></p> <p><u>Article 31. (Notice of Convocation of Audit and Supervisory Committee Meetings)</u></p> <p>1. <u>A notice of convocation of an Audit and Supervisory Committee meeting shall be dispatched to each Audit and Supervisory Committee Member at least three (3) days prior to the date of the meeting; provided, however, that in the event of any emergency, such period may be shortened.</u></p> <p>2. <u>The Audit and Supervisory Committee may be held without following the convocation procedures with the consent of all Audit and Supervisory Committee Members.</u></p>
(Newly established)	<p><u>Article 32. (Regulations of the Audit and Supervisory Committee)</u></p> <p><u>Matters relating to the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, in addition to the provision of laws and regulations or these Articles of Incorporation.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 40. (Appointment of Accounting Auditors)</u>  <u>The Company shall appoint Accounting Auditors.</u></p> <p>Article 41. - Article 42. (Omitted)</p> <p>Article 43. (Remunerations, etc. for Accounting Auditors)  Remunerations, etc. for Accounting Auditors shall be determined by the Representative Director with the consent of <u>the Audit &amp; Supervisory Board.</u></p> <p>Article 44. (Exemption from Liability of Accounting Auditors)  1. <u>The Company may, by resolution of the Board of Directors, exempt Accounting Auditors (including former Accounting Auditors) with respect to their liability for damages provided for in Article 423, paragraph (1) of the Companies Act to the extent of the amount obtained by deducting the minimum liability amount stipulated by laws and regulations from the liability amount if the requirements prescribed by laws and regulations are met.</u>  2. <u>The Company may enter into an agreement with Accounting Auditors to limit their liability for damages if the requirements prescribed by laws and regulations are met with respect to the liability for damages provided for in Article 423, paragraph (1) of the Companies Act; provided, however, that the maximum amount of the liability for damages under such agreement shall be either the amount specified in advance that is not less than 3 million yen or the minimum liability amount stipulated by laws and regulations, whichever is greater.</u></p> <p>Article 45. - Article 48. (Omitted)</p> <p>(Newly established)  (Newly established)</p>	<p>(Deleted)</p> <p>Article 33. - Article 34. (Unchanged)</p> <p>Article 35. (Remunerations, etc. for Accounting Auditors)  Remunerations, etc. for Accounting Auditors shall be determined by the Representative Director with the consent of <u>the Audit and Supervisory Committee.</u></p> <p>Article 36. (Exemption from Liability of Accounting Auditors)  1. <u>Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Accounting Auditors (including former Accounting Auditors) from their liability for damages provided for in Article 423, paragraph (1) of the said Act to the extent permitted by laws and regulations.</u>  2. <u>Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with Accounting Auditors to limit their liability for damages provided for in Article 423, paragraph (1) of the said Act; provided, however, that the maximum amount of the liability for damages under such agreement shall be the amount stipulated by laws and regulations.</u></p> <p>Article 37. - Article 40. (Unchanged)</p> <p><u>Supplementary Provision</u>  <u>Article 1.</u>  <u>The Company may, by resolution of the Board of Directors, exempt former Audit &amp; Supervisory Board Members from their liability for damages provided for in Article 423, paragraph (1) of the Companies Act for the acts prior to the conclusion of the 34th Annual General Meeting of Shareholders to the extent permitted by laws and regulations.</u></p>



**Proposal No. 2:** Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The Company will make the transition to a Company with an Audit and Supervisory Committee if Proposal No. 1, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed, and all eight (8) Directors’ terms of office will expire when the amendments of the Articles of Incorporation come into effect.

The Company hereby proposes the election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same shall apply to this proposal). This proposal shall become effective provided that the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” come into effect.

The candidates for Director are as follows:

Candidate No.	Name	Position and Responsibility in the Company	
1	Hiroshi Shibasaki	President & CEO	Reelection
2	Masayuki Nabeya	Managing Director (in charge of Distributor Business and Developed Products Business) and Executive Officer	Reelection
3	Naohiro Hirano	Director (in charge of Business Administration and Human Resources) and Executive Officer	Reelection
4	Satoshi Miyamoto	Director (in charge of Finance & Accounting and Sales Administration) and Executive Officer, General Manager of Sales Administration Division	Reelection
5	Toshihiko Azuma	Director (in charge of Dealer Business)	Reelection
6	Mitsuharu Muramatsu	Outside Director	Reelection Outside Independent
7	Shigeharu Dogakinai	Outside Director	Reelection Outside Independent

Reelection: Candidate for Director to be reelected

New candidate: Candidate for Director to be newly elected

Outside: Candidate for Outside Director

Independent: Independent officer defined by the stock exchange

Candidate No.			Number of Shares in the Company Owned	45,800 shares
1	<b>Hiroshi Shibasaki</b>	Date of birth Apr. 23, 1965	Years served as Director	10 years
			Attendance of Board of Directors' Meetings	16 of 16

Reelection

**Career Summary, Position and Responsibilities in the Company**

Aug. 1986	Joined Matsunaga Dental Clinic
Aug. 1991	Joined Herz Co., Ltd.
Dec. 1998	General Manager of Sales Division, Herz Co., Ltd.
Jan. 2003	Director, General Manager of Sales Headquarters, Herz Co., Ltd.
Feb. 2004	Became Director, General Manager of Herz Business of the Company upon merger between Herz Co., Ltd. and DVx Japan K.K.
Jun. 2007	Executive Officer, General Manager of Herz Business Headquarters, the Company
Apr. 2010	Executive Officer, General Manager of Sales Supervisory Headquarters, the Company
Jun. 2010	Director and Executive Officer, General Manager of Sales Supervisory Headquarters, the Company
Apr. 2012	Director (in charge of Sales), the Company
Apr. 2015	Director (in charge of Sales and Marketing) and Executive Officer, the Company
Apr. 2017	Director (in charge of Sales of Arrhythmia-related Products) and Executive Officer, the Company
Jun. 2017	Managing Director (in charge of Sales of Arrhythmia-related Products) and Executive Officer, the Company
Apr. 2018	Managing Director (in charge of Sales of Arrhythmia-related Products), the Company
Jun. 2018	Executive Vice President and Director (overall Sales management and in charge of Sales of Arrhythmia-related Products), the Company
Apr. 2019	Executive Vice President & COO, the Company
Jun. 2019	President & CEO, the Company (incumbent)

**Reasons for nomination as candidate for Director:**

Mr. Hiroshi Shibasaki has been engaged mainly in the area of sales activities and has considerable experience and extensive insight gained in supervising the entire sales activities of the Company since he assumed the position of Director. He is currently supervising the overall management and promoting the business growth of the Company as the President & CEO. The Company expects him to continue his supervision over the execution of business and contribute to further enhancing the corporate value of the Company; therefore, the Company appoints him as a candidate for Director.

Candidate No.			Number of Shares in the Company Owned	49,700 shares
2	<b>Masayuki Nabeya</b>	Date of birth Apr. 27, 1958	Years served as Director	9 years
			Attendance of Board of Directors' Meetings	16 of 16

Reelection

**Career Summary, Position and Responsibilities in the Company**

Apr. 1985	Joined Novus Co., Ltd.
Oct. 1986	Joined Herz Co., Ltd.
Jun. 1995	Director, General Manager of Sales Division, Herz Co., Ltd.
Feb. 2004	Became Senior Managing Director, General Manager of Management Planning Division of the Company upon merger between Herz Co., Ltd. and DVx Japan K.K.
Apr. 2008	Senior Managing Executive Officer, General Manager of General Affairs and Human Resources Headquarters, the Company
Apr. 2010	Executive Officer, Shizuoka Special Project Leader, the Company
Jun. 2011	Director and Executive Officer, Shizuoka Special Project Leader, the Company
Apr. 2012	Director (in charge of Marketing and Regulatory Affairs & Quality Assurance), the Company
Jul. 2013	Director (in charge of Marketing and Regulatory Affairs & Quality Assurance) and Executive Officer, the Company
Apr. 2014	Director (in charge of Marketing, Regulatory Affairs & Quality Assurance and Technology) and Executive Officer, the Company
Apr. 2015	Director (in charge of Regulatory Affairs & Quality Assurance and Technology) and Executive Officer, the Company
Dec. 2015	Director (in charge of Regulatory Affairs & Quality Assurance and Technology) and Executive Officer, General Manager of Regulatory Affairs & Quality Assurance Division, the Company
Apr. 2016	Director (in charge of Regulatory Affairs & Quality Assurance and Technology) and Executive Officer, the Company
Apr. 2017	Director (in charge of Sales of Ischemia-related Products, Sales of New Products, Regulatory Affairs & Quality Assurance and Technology) and Executive Officer, the Company
Feb. 2018	Director (in charge of Sales of Ischemia-related Products, Sales of New Products, Regulatory Affairs & Quality Assurance and Technology) and Executive Officer, General Manager of Regulatory Affairs & Quality Assurance Division, the Company
Apr. 2019	Director (in charge of Sales of Vascular, Sales of New Products and Regulatory Affairs & Quality Assurance) and Executive Officer, General Manager of Regulatory Affairs & Quality Assurance Division, the Company
Jun. 2019	Managing Director (in charge of Distributor Business and Developed Products Business) and Executive Officer, General Manager of Regulatory Affairs & Quality Assurance Division, the Company
Oct. 2019	Managing Director (in charge of Distributor Business and Developed Products Business) and Executive Officer, the Company (incumbent)

**Reasons for nomination as candidate for Director:**

Mr. Masayuki Nabeya has been engaged in a wide range of business areas, particularly in the Sales Division. After assuming the position of Director, he has been supervising the Marketing Division, the Regulatory Affairs & Quality Assurance Division, and the Technology Division, and gained his considerable experience and extensive insight in these areas. He is currently supervising the Sales Division of Vascular, ICT Solutions and the Regulatory Affairs & Quality Assurance Division, and promoting the strengthening of these divisions. The Company expects him to continue his supervision over the execution of business and contribute to further enhancing the corporate value of the Company; therefore, the Company appoints him as a candidate for Director.

Candidate No.			Number of Shares in the Company Owned	1,400 shares
3	<b>Naohiro Hirano</b>	Date of birth Jan. 16, 1967	Years served as Director	5 years
			Attendance of Board of Directors' Meetings	16 of 16

Reelection

**Career Summary, Position and Responsibilities in the Company**

Apr. 1990	Joined The Daiwa Bank, Ltd. (present Resona Bank, Ltd.)
Nov. 1999	Joined FOREX Bank
Mar. 2002	Joined WIN INTERNATIONAL CO., LTD.
Nov. 2010	Joined the Company
Apr. 2011	General Manager of General Affairs and Human Resources Division, the Company
Apr. 2012	Executive Officer, General Manager of Business Administration Division, the Company
Jun. 2015	Director (in charge of Business Administration and Information Disclosure) and Executive Officer, General Manager of Business Administration Division, the Company
Apr. 2018	Director (in charge of Business Administration and Human Resources) and Executive Officer, the Company (incumbent)

**Reasons for nomination as candidate for Director:**

Mr. Naohiro Hirano has been supervising the divisions in charge of legal/compliance promotion, personnel/labor affairs, and general affairs/administration, and gained his considerable experience and extensive insight in these areas. After assuming the position of Director, he has been strengthening the organizational structure to ensure compliance with laws and regulations, urging strict adherence to timely and appropriate information disclosure and promoting efforts to ensure the Company has an appropriate human resource administration structure in his capacities as being in charge of Business Administration, Information Disclosure, and Human Resources. The Company expects him to continue his supervision over the execution of business and contribute to further enhancing the corporate value of the Company; therefore, the Company appoints him as a candidate for Director.

Candidate No.			Number of Shares in the Company Owned	500 shares
4	<b>Satoshi Miyamoto</b>	Date of birth May 24, 1959	Years served as Director	2 years
			Attendance of Board of Directors' Meetings	16 of 16

Reelection

**Career Summary, Position and Responsibilities in the Company**

Apr. 1983	Joined Nomura Securities Co., Ltd.
Aug. 2013	Joined the Company
Apr. 2014	General Manager of Internal Audit Division, the Company
Apr. 2018	Executive Officer, the Company
Jun. 2018	Director (in charge of Finance & Accounting and Sales Administration) and Executive Officer, the Company
Apr. 2019	Director (in charge of Finance & Accounting and Sales Administration) and Executive Officer, General Manager of Sales Administration Division, the Company (incumbent)

**Reasons for nomination as candidate for Director:**

Mr. Satoshi Miyamoto has been engaged in operational execution as General Manager of the Internal Audit Division and Executive Officer in charge of Finance & Accounting and Sales Administration and gained his considerable experience and extensive insight in these areas. After assuming the position of Director, he has been promoting efforts to ensure the Company has an appropriate finance & accounting structures in his capacities as being in charge of Finance & Accounting and Sales Administration. The Company expects him to continue his supervision over the execution of business and contribute to further enhancing the corporate value of the Company; therefore, the Company appoints him as a candidate for Director.

Candidate No.			Number of Shares in the Company Owned	37,600 shares
5	<b>Toshihiko Azuma</b>	Date of birth Feb. 13, 1966	Years served as Director	1 year
			Attendance of Board of Directors' Meetings	13 of 13

New candidate **Career Summary, Position and Responsibilities in the Company**

Apr. 1989	Joined Circus, Ltd.
Sep. 1989	Joined ACROSS CO., LTD.
Jan. 1994	Joined Herz Co., Ltd. (present the Company)
Apr. 2006	General Manager of Sales Division No.2 of Herz Business, the Company
Oct. 2007	General Manager of Herz West Sales Headquarters, the Company
Apr. 2009	Executive Officer, General Manager of Herz West Sales Headquarters, the Company
Apr. 2010	Executive Officer, General Manager of Herz West Sales Headquarters of Sales Supervisory Headquarters, the Company
Apr. 2012	Executive Officer, the Company
Jun. 2019	Director (in charge of Dealer Business), the Company (incumbent)

**Reasons for nomination as candidate for Director:**

Mr. Toshihiko Azuma has mainly been involved with duties in the Sales Divisions since joining the Company, and as an Executive Officer his responsibilities have included overseeing Sales of Arrhythmia-related products, Ischemia-related products, and New Products, affording him considerable experience and extensive insight into sales in general. After assuming the position of Director, he has been supervising the execution of business of the Sales Division by using this experience and insight as being in charge of Dealer Business. The Company expects him to continue supervising the execution of business and contribute to further enhancing the corporate value of the Company; therefore, the Company appoints him as a candidate for Director.

Candidate No.			Number of Shares in the Company Owned	— shares
6	<b>Mitsuharu Muramatsu</b>	Date of birth Jan. 14, 1953	Years served as Director	13 years
			Attendance of Board of Directors' Meetings	16 of 16

Reelection **Career Summary, Position and Responsibilities in the Company**

Outside	Sep. 1978	Joined Arthur Young & Co.
Independent	Sep. 1985	Director, Happy-Shokai Co., Ltd.
	Sep. 1985	Founded Muramatsu C.P.A. Office and became Representative Partner (incumbent)
	Mar. 1988	Representative Director, Happy-Shokai Co., Ltd. (incumbent)
	Jun. 2007	Outside Director, the Company (incumbent)
	Mar. 2015	Founded GLOVACC Co., Ltd. and became Representative Director (incumbent)

**Important Concurrent Positions:**

Representative Partner, Muramatsu C.P.A. Office  
Representative Director, Happy-Shokai Co., Ltd.  
Representative Director, GLOVACC Co., Ltd

**Reasons for nomination as candidate for Outside Director:**

Mr. Mitsuharu Muramatsu has considerable experience and extensive insight as a certified public accountant and tax accountant. The Company expects him to supervise and monitor the business management of the Company based on such experience and insight, and appoints him as a candidate for Outside Director. He is directly involved in company management as the Representative Director of Happy-Shokai Co., Ltd. and GLOVACC Co., Ltd. Due to this, the Company judges he will appropriately fulfill his duties as an Outside Director.

**Matters concerning Independence:**

The Company has submitted notification to the Tokyo Stock Exchange that Mr. Mitsuharu Muramatsu has been appointed as an independent officer as provided for by the aforementioned Exchange. In addition to the requirements specified by the Exchange, the Company has established its own criteria for the independence of independent officers, taking into account their relationships with the Company, its officers, and major shareholders. He sufficiently satisfies such criteria.

Candidate No.			Number of Shares in the Company Owned	1,100 shares
7	<b>Shigeharu Dogakinai</b>	Date of birth May 11, 1949	Years served as Director	5 years
			Attendance of Board of Directors' Meetings	16 of 16

**Reelection Career Summary, Position and Responsibilities in the Company**

Outside	Apr. 1973	Joined The Mitsubishi Bank, Limited (present MUFG Bank, Ltd.)
Independent	May 2003	Joined TECHNO RYOWA LTD.
	Jun. 2003	Director, TECHNO RYOWA LTD.
	Jan. 2007	Managing Director, TECHNO RYOWA LTD.
	Apr. 2014	Senior Managing Director, TECHNO RYOWA LTD.
	Jun. 2015	Outside Director, Asante, Inc. (incumbent)
	Jun. 2015	Outside Director, the Company (incumbent)
	Jun. 2015	Senior Managing Director, TACHIKICHI CORP. (incumbent)

**Important Concurrent Positions:**

Outside Director, Asante, Inc.  
Senior Managing Director, TACHIKICHI CORP.

**Reasons for nomination as candidate for Outside Director:**

Mr. Shigeharu Dogakinai has considerable experience and extensive insight. The Company expects him to provide advice and supervision based on such experience and insight in order to promote the sound and effective business management of the Company, and appoints him as a candidate for Outside Director. He is directly involved in company management as the Senior Managing Director of TACHIKICHI CORP. Due to this, the Company judges he will appropriately fulfill his duties as an Outside Director.

**Matters concerning Independence:**

The Company has submitted notification to the Tokyo Stock Exchange that Mr. Shigeharu Dogakinai has been appointed as an independent officer as provided for by the aforementioned Exchange. In addition to the requirements specified by the Exchange, the Company has established its own criteria for the independence of independent officers, taking into account their relationships with the Company, its officers, and major shareholders. He sufficiently satisfies such criteria.

- (Notes) 1. There is no special interest between any of the candidates and the Company.
2. Mitsuharu Muramatsu and Shigeharu Dogakinai are candidates for Outside Director.
  3. Mitsuharu Muramatsu is currently an Outside Director of the Company, and at the conclusion of this meeting, his tenure will have been thirteen (13) years.
  4. Shigeharu Dogakinai is currently an Outside Director of the Company, and at the conclusion of this meeting, his tenure will have been five (5) years.
  5. The Company has entered into an agreement with Mitsuharu Muramatsu and Shigeharu Dogakinai to limit their liability provided for in Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. The maximum amount of the liability for damages shall be the higher of 3,000,000 yen, or the minimum liability amount as provided for in Article 425, paragraph 1 of the Companies Act. The Company intends to enter a limited liability agreement with Mitsuharu Muramatsu and Shigeharu Dogakinai, in which the maximum amount of the liability for damages shall be the minimum liability amount as provided for in Article 425, paragraph 1 of the Companies Act, if their reelection is approved.

**Proposal No. 3:** Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

The Company will make the transition to a Company with an Audit and Supervisory Committee if Proposal No. 1, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed.

The Company hereby proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

This proposal shall become effective provided that the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” come into effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Position and Responsibility in the Company	
1	Sachiko Toda	Standing Audit & Supervisory Board Member	New candidate
2	Shinichi Nakamura	Outside Audit & Supervisory Board Member	New candidate Outside Independent
3	Toru Nojima	-	New candidate Outside Independent

Reelection: Candidate for Director to be reelected

New candidate: Candidate for Director to be newly elected

Outside: Candidate for Outside Director

Independent: Independent officer defined by the stock exchange

Candidate No.				
1	<b>Sachiko Toda</b>	Date of birth Feb. 12, 1956	Number of Shares in the Company Owned	134,400 shares

New candidate **Career Summary, Position and Responsibilities in the Company**

Jan. 1983	Joined Temporary Center Inc.
Apr. 1986	Joined Herz Co., Ltd.
Jun. 1995	General Manager of Accounting Division, Herz Co., Ltd.
Jun. 2001	Director, General Manager of Administration Headquarters, Herz Co., Ltd.
Feb. 2004	Became Director, General Manager of Administration Headquarters of the Company upon merger between Herz Co., Ltd. and DVx Japan K.K.
Jun. 2006	Director and Executive Officer, General Manager of Administration Headquarters, the Company
Jun. 2010	Director and Executive Officer, General Manager of Internal Audit Division, the Company
Apr. 2014	Director (in charge of Internal Audit), the Company
Jun. 2014	Standing Audit & Supervisory Board Member, the Company (incumbent)

**Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member:**

Ms. Sachiko Toda, since joining the Company, has provided many years of valuable service as a Director of the Company, and has extensive experience and knowledge. Currently Ms. Toda is making use of this experience and knowledge in conducting auditing of the Company as a Standing Audit & Supervisory Board Member. The Company expects her to continue to appropriately perform her duties as a Director who is an Audit and Supervisory Committee Member; therefore, the Company appoints her as a Director who is an Audit and Supervisory Committee Member.



Candidate No.				
2	<b>Shinichi Nakamura</b>	Date of birth Dec. 10, 1949	Number of Shares in the Company Owned	- shares

New candidate	<b>Career Summary, Position and Responsibilities in the Company</b>			
Outside	Apr. 1979	Registered as Attorney (Yokohama Bar Association, present Kanagawa Bar Association)		
Independent	Apr. 1980	Member of the Committee for Judicial Apprentice, Yokohama Bar Association (present Kanagawa Bar Association) Member of Special Committee for Criminal and Epidemiological Investigations, Human Rights Protection Committee, Japan Federation of Bar Associations		
	Jan. 1981	Joined Sendagaya Law Office (Tokyo Bar Association)		
	Apr. 1995	Founded Cosmos Law Office and became Representative Partner (incumbent)		
	May 1999	Outside Audit & Supervisory Board Member, Komoda Engineering Co., Ltd. (incumbent)		
	Jun. 2008	Audit & Supervisory Board Member, the Company (incumbent)		
	Feb. 2013	Outside Director, Joho Center Publishing Co., Ltd.		

**Important Concurrent Positions:**

Representative Partner, Cosmos Law Office

Outside Audit & Supervisory Board Member, Komoda Engineering Co., Ltd.

**Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member:**

Mr. Shinichi Nakamura has professional knowledge and considerable experience gained as a lawyer. The Company expects him to use such advantage for the Company; therefore, the Company appoints him as an Outside Director who is an Audit and Supervisory Committee Member. Although he has no experience in engaging in corporate management in other ways beside the role of outside officer, the Company judges that he will appropriately fulfill his duties as an Outside Director who is an Audit and Supervisory Committee Member, based on the aforementioned reason.

**Matters concerning Independence:**

The Company has submitted notification to the Tokyo Stock Exchange that Mr. Shinichi Nakamura has been appointed as an independent officer as provided for by the aforementioned Exchange. In addition to the requirements specified by the Exchange, the Company has established its own criteria for the independence of independent officers, taking into account their relationships with the Company, its officers, and major shareholders. He sufficiently satisfies such criteria.

Candidate No.	<b>Toru Nojima</b>	Date of birth Oct. 13, 1960	Number of Shares in the Company Owned	- shares
<b>3</b>				

New candidate	<b>Career Summary and Position</b>			
Outside	Apr. 1985	Joined Suzuki Tax Accounting Office		
Independent	Nov. 1992	Joined Asahi Shinwa LLC (present KPMG AZSA LLC)		
	Jul. 2002	Partner, Asahi & Co. (present KPMG AZSA LLC)		
	Jul. 2009	Representative Partner, Asahi & Co. (present KPMG AZSA LLC)		
	Jul. 2019	Director, ToruNojima CPA office (incumbent)		

**Important Concurrent Positions:**

Director, ToruNojima CPA office

**Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member:**

Mr. Toru Nojima has professional knowledge and considerable experience gained as a certified public Accountant. The Company expects him to use such advantage for the Company; therefore, the Company appoints him as an Outside Director who is an Audit and Supervisory Committee Member. Although he has no experience in engaging in corporate management in other ways beside the role of outside officer, the Company judges that he will appropriately fulfill his duties as an Outside Director who is an Audit and Supervisory Committee Member, based on the aforementioned reason.

**Matters concerning Independence:**

In addition to the criteria specified by the Tokyo Stock Exchange, the Company has established its own criteria for independence of independent officers, taking into account their relationships with the Company, its officers, and major shareholders. Mr. Toru Nojima sufficiently satisfies such criteria. The Company intends to submit notification to the aforementioned Exchange that he is appointed as an independent officer as provided for by the Exchange, if his election is approved.

- (Notes) 1. There is no special interest between any of the candidates and the Company.
2. Shinichi Nakamura and Toru Nojima are candidates for Outside Director who is an Audit and Supervisory Committee Member.
  3. Shinichi Nakamura is currently an Outside Audit & Supervisory Board Member of the Company, and at the conclusion of this meeting, his tenure will have been twelve (12) years.
  4. The Company has entered into an agreement with Shinichi Nakamura to limit his liability provided for in Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. The maximum amount of the liability for damages shall be the higher of 3,000,000 yen, or the minimum liability amount as provided for in Article 425, paragraph 1 of the Companies Act. The Company intends to enter a limited liability agreement with Shinichi Nakamura and Toru Nojima, in which the maximum amount of the liability for damages shall be the minimum liability amount as provided for in Article 425, paragraph 1 of the Companies Act, if their election is approved.

**Proposal No. 4:** Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

The Company will make the transition to a Company with an Audit and Supervisory Committee if Proposal No. 1, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed.

The Company hereby proposes the election of one (1) substitute Director who is an Audit and Supervisory Committee Member to prepare for the case where a vacancy for a Director who is an Audit and Supervisory Committee Member needs to be filled to meet the legal requirement.

The election can be nullified by resolution of the Board of Directors if the consent of the Audit and Supervisory Committee has been obtained; provided, however, that it is only in a time before the Director who is an Audit and Supervisory Committee Member assumes office.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

This proposal shall become effective provided that the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” come into effect.

The candidate for Substitute Director who is an Audit and Supervisory Committee Member is as follows:

## Noriko Suzuki

Date of birth  
Dec. 29, 1957

Number of Shares in the Company Owned

- shares

### Career Summary and Position

Mar. 1981	Joined Chuo Audit Corporation
Mar. 1989	Joined Chuo Coopers & Lybrand International Tax Office (present PwC Tax Japan)
Oct. 1992	Joined ASAHI SHINWA & Co. (present KPMG AZSA LLC)
Oct. 2015	President of Suzuki Noriko CPA Office (incumbent)
Apr. 2020	Supervisory Director, Frontier Real Estate Investment Corporation (incumbent)

### Important Concurrent Positions:

President of Suzuki Noriko CPA Office  
Supervisory Director, Frontier Real Estate Investment Corporation

### Reasons for nomination as candidate for Outside Director who is a Substitute Audit and Supervisory Committee Member:

Ms. Noriko Suzuki has professional knowledge and considerable experience gained as a certified accountant. The Company expects her to use such advantage for the Company; therefore, the Company appoints her as an Outside Director who is a substitute Audit and Supervisory Committee Member. Although she has no experience in engaging in corporate management in other ways beside the role of outside officer, the Company judges that she will appropriately fulfill her duties as an Outside Director who is an Audit and Supervisory Committee Member, based on the aforementioned reason.

### Matters concerning Independence:

In addition to the criteria specified by the Tokyo Stock Exchange, the Company has established its own criteria for independence of independent officers, taking into account their relationships with the Company, its officers, and major shareholders. Ms. Noriko Suzuki sufficiently satisfies such criteria.

- (Notes)
1. There is no special interest between the candidate and the Company.
  2. Noriko Suzuki is a candidate for Outside Director who is a substitute Audit and Supervisory Committee Member.
  3. If Noriko Suzuki assumes office as a Director who is an Audit and Supervisory Committee Member, pursuant to Article 427, paragraph 1 of the Companies Act, the Company intends to enter into an agreement with her to limit her liability for damages under Article 423, paragraph 1 of the Companies Act. The maximum amount of liability for damages under this agreement will be the minimum liability amount provided for under Article 425, paragraph 1 of the Companies Act.

**Proposal No. 5: Determination of Amounts of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)**

The Company will make the transition to a Company with an Audit and Supervisory Committee if Proposal No. 1, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed.

The Company set the maximum amount of the Company’s Directors remuneration, through the approval at the 18th Annual General Meeting of Shareholders held on June 25, 2004, in which the aggregate amount shall be no more than 400 million yen per year (not including salaries for services as employees). In conjunction with the transition to a Company with an Audit and Supervisory Committee, the Company proposes to terminate the existing maximum amount of Directors’ remuneration and adopt the new remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) with the maximum amount of no more than 250 million yen per year, in consideration of the past maximum amount of Directors’ remuneration and various factors.

The above proposed maximum amount of remuneration shall not include salaries for services as employees of Directors in a concurrent position.

The Company currently has eight (8) Directors (including two (2) Outside Directors). The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) who shall be subject to this proposal shall be seven (7) (including two (2) Outside Directors) if Proposal No. 1 and Proposal No. 2 are approved as originally proposed.

This proposal shall become effective provided that the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” come into effect.

**Proposal No. 6: Determination of Amounts of Remuneration for Directors Who Are Audit and Supervisory Committee Members)**

The Company will make the transition to a Company with an Audit and Supervisory Committee if Proposal No. 1, “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed.

The Company hereby proposes that the maximum amount of remuneration for Directors who are Audit and Supervisory Committee Members shall be no more than 50 million yen per year, in consideration of various factors such as the current economic conditions.

The number of Directors who are Audit and Supervisory Committee Members who shall be subject to this proposal shall be three (3) if Proposal No. 1 and Proposal No. 3 are approved as originally proposed.

This proposal shall become effective provided that the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” come into effect.

**Proposal No. 7: Payment of Retirement Benefits to a Retired Director and a Retired Audit & Supervisory Board Member and Final Payment of Retirement Benefits in Conjunction with Abolition of Retirement Benefit Plan for Officers**

Mr. Shigeru Chiba will retire from the position of Director and Mr. Akio Minawa will retire from the position of Audit & Supervisory Board Member at the conclusion of this meeting, due to the expiry of their terms of office. In recognition of the services they performed while in office, the Company will present retirement benefits within the extent permitted under the Company’s prescribed criteria.

The amount, payment schedule, and payment method shall be entrusted to the Board of Directors regarding the retired Director thereof, and discussions by Directors who are Audit and Supervisory Committee Members regarding the retired Audit & Supervisory Board Member thereof.

The career summaries of the retired Director and the retired Audit & Supervisory Board Member are as follows:

Name	Career Summary	
Shigeru Chiba	Jun. 2013	Executive Vice President & COO, the Company
	Apr. 2015	President & CEO, the Company
	Jun. 2019	Chairman, the Company (incumbent)
Akio Minawa	Mar. 2006	Audit & Supervisory Board Member, the Company (incumbent)

On May 15, 2020, the Board of Directors resolved, as part of the review of the Executive Remuneration System, to terminate the Retirement Benefit Plan of Directors and Audit & Supervisory Board Members upon the conclusion of this meeting.

In conjunction with this termination, the Company proposes a final payment of retirement benefits in conjunction with abolition of Retirement Benefit Plan for Officers within the extent permitted under the Company's prescribed criteria in recognition of their services while in office till the conclusion of this meeting. The payment shall be made to Mr. Hiroshi Shibasaki, Mr. Masayuki Nabeya, Mr. Naohiro Hirano, Mr. Satoshi Miyamoto, Mr. Toshihiko Azuma, Mr. Mitsuharu Muramatsu, and Mr. Shigeharu Dogakinai, who are to be reelected as Directors provided that Proposal No. 2, "Election of seven (7) Directors (excluding Directors Who Are Audit and Supervisory Committee Members)," is approved as originally proposed, and to Ms. Sachiko Toda and Mr. Shinichi Nakamura, who currently serve as Audit & Supervisory Board Members, provided that Proposal No. 3 "Election of three (3) Directors Who Are Audit and Supervisory Committee Members" is approved as originally proposed.

The payment shall be made at the time when each of Directors and Audit & Supervisory Board Members will retire, and the amount and payment method shall be entrusted to the Board of Directors regarding the Directors thereof, and discussions by Directors who are Audit and Supervisory Committee Members regarding the Audit & Supervisor Board Members thereof.

The career summaries of Directors and Audit & Supervisory Board Members to whom the Company will pay benefits in conjunction with abolition of Retirement Benefit Plan for Officers are as follows:

Name	Career Summary	
Hiroshi Shibasaki	Jan. 2003	Director, Herz Co., Ltd. (present the Company)
	Feb. 2004	Became Director of the Company upon merger between Herz Co., Ltd. and DVx Japan K.K.
	Jun. 2010	Director, the Company
	Jun. 2017	Managing Director, the Company
	Jun. 2018	Executive Vice President and Director, the Company
	Jun. 2019	President & CEO, the Company (incumbent)
Masayuki Nabeya	Jun. 1995	Director, Herz Co., Ltd. (present the Company)
	Feb. 2004	Became Senior Managing Director of the Company upon merger between Herz Co., Ltd. and DVx Japan K.K.
	Jun. 2011	Director, the Company
	Jun. 2019	Managing Director, the Company (incumbent)
Naohiro Hirano	Jun. 2015	Director, the Company (incumbent)
Satoshi Miyamoto	Jun. 2018	Director, the Company (incumbent)
Toshihiko Azuma	Jun. 2019	Director, the Company (incumbent)
Mitsuharu Muramatsu	Jun. 2007	Outside Director, the Company (incumbent)
Shigeharu Dogakinai	Jun. 2015	Outside Director, the Company (incumbent)
Sachiko Toda	Jun. 2001	Director, Herz Co., Ltd. (present the Company)
	Feb. 2004	Became Director of the Company upon merger between Herz Co., Ltd. and DVx Japan K.K.
	Jun. 2006	Director, the Company
	Jun. 2014	Standing Audit & Supervisory Board Member, the Company (incumbent)
Shinichi Nakamura	Jun. 2008	Audit & Supervisory Board Members, the Company (incumbent)

**Proposal No. 8:** Determination of Remuneration to Allot the Restricted Stocks to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

The maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be no more than 250 million yen per year (not including salaries for services as employees of Directors in a concurrent position) if Proposal No. 1 and No. 5 on the transition to a Company with an Audit and Supervisory Committee is approved.

The Company hereby proposes to allot the Company's common stocks, which shall be prescribed with some provisions including a restriction on transfer for a certain period and grounds for acquisition without any compensation (hereinafter the "Restricted Stocks"), as described below, to Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter the "Eligible Director"). The purpose of the allotment of the Restricted Stocks is to share benefits and risks of stock price changes of the Company between the Eligible Directors and shareholders, and further motivate the Eligible Directors to contribute to improvement of stock prices and corporate value of the Company.

Considering the level of the Eligible Directors' contribution and various other factors from a comprehensive viewpoint, the Company proposes that the aggregate amount of monetary compensation claims to be paid to the Eligible Directors as the remuneration pertaining to the Restricted Stocks shall be no more than 80 million yen (not including salaries for services as employees of Directors in a concurrent position). The aggregate amount of monetary compensation claims shall be set up separate from the aforementioned maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members). The allotment of the Restricted Stocks has been determined by taking into account the level of the Eligible Directors' contribution and various other factors from a comprehensive viewpoint, and the Company considers they are appropriate.

The Company currently has eight (8) Directors (including two (2) Outside Directors), and if Proposal No. 2 is approved, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be seven (7) (including two (2) Outside Directors), the number of Eligible Directors subject to this proposal being five (5).

**Specific Details and Maximum Number of the Restricted Stocks for the Eligible Directors**

**1. Allotment of the Restricted Stocks and payment therefor**

The Company shall grant monetary compensation claims within the aforementioned annual amount to the Eligible Directors as remuneration pertaining to the Restricted Stocks, in accordance with the resolution at the Company's Board of Directors. Each of the Eligible Directors shall receive the allotment of the Restricted Stocks by delivering all of the said monetary compensation claims in the form of contribution in kind.

The amounts to be paid for the Restricted Stocks shall be determined by the Company's Board of Directors on the basis of the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the Company's Board of Directors' resolution concerning issuance or disposal of the shares (if the Company's stocks are not traded on the said date, the closing price of the most recent trading day preceding the said date) to the extent that it will not be excessively advantageous for the Eligible Directors who will receive the Restricted Stocks.

In addition, the above monetary compensation claims shall be granted provided that the Eligible Directors have given consent to the above contribution in kind and the Company and the Eligible Directors have concluded a restricted stock allocation agreement, which contains terms prescribed in the following provision 3.

**2. Aggregate number of the Restricted Stocks**

An aggregate of 80,000 shares of the Restricted Stocks shall be the maximum number of the Restricted Stocks to be allotted to the Eligible Directors in each fiscal year.

Nevertheless, if on and after the resolution of this proposal, the Company's common stocks are



affected by a stock split (including shares the Company's common stocks without compensation) or consolidation of shares, or there are other cases requiring adjustments of the aggregate number of the Restricted Stocks to be allotted in line with those cases of a stock split or consolidation of shares, the Company may reasonably adjust the aggregate number of the Restricted Stocks.

### 3. Details of the restricted stock allocation agreement

The restricted stock allocation agreement, which shall be concluded between the Company and the Eligible Directors who shall receive the allotment of the Restricted Stocks based on the resolution of the Company's Board of Directors regarding the allotment of the Restricted Stocks, shall contain the following details.

#### (1) Details of the restriction of transfer

The Eligible Directors who received the allotment of the Restricted Stocks shall not be allowed to transfer to third parties, create a right of pledge, create a transfer security interest, make an inter vivos gift, make a bequest, or otherwise dispose of the Restricted Stocks (hereinafter the "Transfer Restrictions") which have been allotted to the Eligible Directors (hereinafter the "Allotted Stocks") for a period of 30 years (hereinafter the "Transfer Restriction Period")

#### (2) Acquisition of the Restricted Stocks without compensation

In the event an Eligible Director who received the allotment of the Restricted Stocks resigns or retires from the post of Director and/or Executive Officer of the Company during the period from the start date of the Transfer Restriction Period to the date preceding the Company's annual General Meeting of Shareholders that first arrives thereafter, the Company will acquire the Allotted Stocks without any compensation as a matter of course, unless there is a reason deemed legitimate by the Company's Board of Directors.

In addition, if there are some of the Allotted Stocks, whose Transfer Restrictions has not been cancelled in accordance with the reasons for cancellation of the Transfer Restrictions prescribed in the following provision (3) at the time of the expiration of the Transfer Restriction Period in the above provision (1), the Company shall acquire them without any compensation as a matter of course.

#### (3) Cancellation of the Transfer Restrictions

The Company shall cancel the Transfer Restrictions at the time of the expiration of the Transfer Restriction Period for all of the Allotted Stocks provided that the Eligible Directors who received the allotment of the Restricted Stocks have been in the post of either the Company's Director or Executive Officer continuously for the period from the start date of the Transfer Restriction Period to the date of the Company's annual General Meeting of Shareholders that first arrives thereafter. Nevertheless, in that event that an Eligible Director continues in the position of either a Director, Executive Officer, or Employee until the expiration of the Transfer Restriction Period, the Transfer Restrictions shall not be cancelled for all of the Allotted Stocks held by that person at the end of the period.

In addition, in the event an Eligible Director resigns or retires from all of his or her posts of the Company, be it Director, Executive Officer or Employee, before the expiration of the Transfer Restriction Period based on reasons that are deemed legitimate by the Company's Board of Directors, such as the expiration of the term of office or reaching the retirement age, the Company shall reasonably adjust, as required, the number of the Allotted Stocks subject to and the time of the cancellation of the Transfer Restrictions.

#### (4) Procedures in the event of organizational restructuring, etc.

There are procedures to follow in the event a proposal with respect to a merger agreement in which the Company will become the absorbed company, a stock exchange agreement or a stock transfer plan in which the Company will become a wholly-owned subsidiary, or any other organizational restructuring, etc., is approved (provided only that an effective date of said

organizational restructuring, etc. arrives before the time of the expiration of the Transfer Restriction Period; hereinafter the “Time of Approval on Organizational Restructuring, etc.”) in the General Meeting of Shareholders (or in case approval in the General Meeting of Shareholders is not required in relation to such organizational restructuring, etc., then a resolution of the Company’s Board of Directors). This applies when an Eligible Director who received the allotment of the Restricted Stocks resigns or retires from any post of the Company’s Director, Executive Officer, and Employee in conjunction with the organizational restructuring, etc., during the Transfer Restriction Period. In the procedures, the Company shall cancel the Transfer Restrictions for the number of the Allotted Stocks determined reasonably in consideration of the period from the start date of the Transfer Restriction Period to the date of the approval on the said organizational restructuring, etc., by the resolution of the Company’s Board of Directors prior to the effective date of the said organizational restructuring, etc.

In addition, in case of the Time of Approval on Organization Restructuring, etc., on the date preceding the effective date of the said organizational restructuring, etc., the Company shall acquire the Allotted Stocks whose Transfer Restrictions has not been cancelled as of the same date, without any compensation as a matter of course.

#### 4. Other

The Company intends to allot the Restricted Stocks to Executive Officers who do not concurrently serve as the Company’s Director, in addition to the Eligible Directors, by the resolution of the Company’s Board of Directors, and arrange issuance or disposal of common stocks of the Company. As the Restricted Stocks are medium- and long-term incentives, Directors or Executive Officers re-posted at an age exceeding the retirement age prescribed in the Company’s Rules of Officers shall not be eligible for the allotment of the Restricted Stocks.