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Securities Code: 4819

June 3, 2020

To Our Shareholders:

Kaoru Hayashi, Representative Director
Digital Garage, Inc.
3-5-7 Ebisu Minami, Shibuya-ku, Tokyo

Notice of the 25th Ordinary Shareholders' General Meeting

We are pleased to announce the 25th Ordinary Shareholders' General Meeting of Digital Garage, Inc. (the "Company"), which 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 following methods. Please review the attached Reference Documents for the Shareholders' General Meeting and exercise your voting rights.

[Exercising your voting rights in writing]

Please indicate your approval or disapproval for each proposal on the enclosed voting card, and post it so as to arrive no later than 6:30 p.m. on Monday, June 22, 2020 (JST).

[Exercising your voting rights on the Internet]

Please access to the Website for Exercising Voting Rights designated by the Company (<https://www.web54.net>) and enter your approval or disapproval for each proposal to exercise your voting rights by no later than 6:30 p.m. on Monday, June 22, 2020 (JST).

The Company's measures at the 25th Ordinary Shareholders' General Meeting to prevent the spread of novel coronavirus disease (COVID-19) are as outlined below. We ask for the cooperation and understanding of all shareholders.

<The Company's responses>

- The officials and staff at the meeting will have their temperatures checked and be wearing face masks.
- Face masks and alcohol-based sanitiser will be available near the venue reception.
- To prevent infection within the venue, the spaces between seats will be increased and the number of seats will be less than usual.
- All shareholders attending the meeting will upon entry have their temperatures checked by the meeting staff.

<Requests for Shareholders>

- Please exercise your voting right prior to the meeting in writing (and return the voting card by post) or via the internet.
- We recommend that you refrain from attending regardless of health conditions, giving top priority to the health and safety of shareholders.
- In particular, we strongly recommend that you refrain from attending if you are elderly, have an underlying disease or are pregnant.
- Please be aware that meeting staff may ask shareholders attending who look unwell to refrain from entering the meeting.
- Please note in advance that by conducting proceedings in a smooth, brief manner, the meeting is expected to run for a shorter time than usual.

If there are any significant changes in the arrangements or the venue for the General Meeting of Shareholders, depending on the future situation, we will publish the information as it becomes available on the Company's website (<https://www.garage.co.jp/ja/ir/>).

- 1. Date and Time:** Tuesday, June 23, 2020, at 10:00 a.m. (Reception starts at 9:30 a.m.)
- 2. Venue:** Dragon Gate (DG's conference hall) 18F Shibuya PARCO DG Building
15-1 Udagawa-cho, Shibuya-ku, Tokyo
Please note that the meeting will be held at a different venue this year.

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 25th fiscal year (from April 1, 2019 to March 31, 2020), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 25th fiscal year (from April 1, 2019 to March 31, 2020)

Matters to be resolved

Proposal No. 1: Dividends of Surplus

Proposal No. 2: Partial Amendments to the Articles of Incorporation

Proposal No. 3: Election of Nine (9) Directors who are not Audit and Supervisory Committee Members

Proposal No. 4: Election of Five (5) Directors who are Audit and Supervisory Committee Members

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

If any changes are made to items in the reference documents for the shareholders' general meeting and the business report, or to consolidated financial statements and non-consolidated financial statements, such changes will be posted on the Company's website.

The Company's website: https://www.garage.co.jp/ja/ir/
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Reference Documents for the Shareholders' General Meeting

Proposals and Reference Information

Proposal No. 1 Dividends of Surplus

The Company views shareholder returns as one of its principal management concerns. Decisions about dividends are based on considerations of factors such as financial condition, business performance outlook and future funding needs.

The Company plans to effectively use internal reserves to further reinforce its financial position and to expand its business in the future through investment, business alliances and other means.

The Company, taking into account factors such as operating results for the fiscal year under review and future business development, proposes to pay dividends of surplus (year-end dividends) for the 25th fiscal year as follows:

Year-end dividends

Type of dividend property:	Cash
Allotment of dividend property and aggregate amount thereof:	¥38 per common share of the Company ¥1,748,626,392 in total
Effective date of dividends of surplus:	Wednesday, June 24, 2020

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

To provide for the expansion of the description of the Group’s businesses and future business development, with regard to Article 2 (Purpose) of the Current Articles of Incorporation, it is proposed to organize and integrate text, and review expressions, in addition to adding business purposes.

2. Details of the amendments

Details of amendments are as follows:

(Underlined portions are amended)

Current Articles of Incorporation	Proposed Amendments
<p>Article 2 (Purposes)</p> <p>The purpose of the Company is to engage in the following businesses as well as to control and manage business activities of companies (including foreign companies; hereinafter the same shall apply in this article) which conduct the following or similar types of business, through acquisition of and holding their entire or partial shares.</p> <p>1. <u>Business of creation and distribution of software to be supplied to telecommunication media.</u></p> <p>2. Business of <u>planning</u>, development, manufacture, sale, export and import, <u>installation</u>, maintenance, <u>repair</u>, <u>operation</u>, <u>dispatch of personnel</u>, commissioned calculation, rental and intermediation of computers, peripheral equipment and telecommunication devices, etc., and planning and contracted setup of information-communication networks.</p> <p>3. <u>Business of information delivery based on the telecommunication business under the Telecommunications Business Act.</u></p> <p>4. <Omitted></p> <p>5. Business of planning, production, purchase and sale, agency, intermediation and operation <u>of information media for advertising, and planning, production, sale and distribution of the Internet-, broadcast-, or computer-related videos, music, speech information, textual information, software and various music and video programs.</u></p> <p>6. Mail-order business.</p> <p>7. - 8. <Omitted></p> <p>9. Business of personnel <u>training and related consulting services.</u></p> <p>10. <Omitted></p> <p>11. <u>Business of planning, production and advertising agency services related to advertising, promotion, and various sales promotional activities, and consulting services utilizing newspapers, magazines broadcasting, the Internet, sales promotion, movies, indoor and outdoor locations, means of transportation, direct mails, etc.</u></p> <p>12. <Omitted></p> <p>13. <u>Business of planning and production of graphic design. (such as poster, catalogues, brochures and direct mails)</u></p> <p>14. - 15. <Omitted></p>	<p>Article 2 (Purposes)</p> <p>The purpose of the Company is to engage in the following businesses as well as to control and manage business activities of companies (including foreign companies; hereinafter the same shall apply in this article) which conduct the following or similar types of business, through acquisition of and holding their entire or partial shares.</p> <p><Deleted></p> <p>1. Business of development, manufacture, sale, export and import, maintenance <u>management</u>, commissioned calculation, rental and intermediation of computers and peripheral equipment, and communications equipment, etc., and planning and contracted setup of information-communication networks.</p> <p>2. Telecommunication business.</p> <p>3. <Unchanged></p> <p>4. Business of planning, production, sale and purchase, agency, intermediation, operation and <u>consulting services related to advertising and various sales promotion.</u></p> <p>5. Mail-order business.</p> <p>6. - 7. <Unchanged></p> <p>8. Human resource consulting businesses.</p> <p>9. <Unchanged></p> <p><Deleted></p> <p>10. <Unchanged></p> <p><Deleted></p> <p>11. - 12. <Unchanged></p>

Current Articles of Incorporation	Proposed Amendments
16. Business of <u>planning, plan designing, production</u> and running of theatrical plays, musicals, concerts, <u>exhibitions</u> , and other various events.	13. Business of planning and running of theatrical plays, musicals, concerts, and other various events.
17. Business of planning, <u>design, construction, setup</u> and <u>display</u> of shops, <u>offices</u> , showrooms, <u>space creation</u> , event sites, and others.	14. Business of planning, <u>management and operation</u> of shops, <u>rental conference rooms, studios</u> , showrooms, event sites, and others.
18. <u>Business of planning, management and operation of rental conference rooms and studios, etc.</u>	<Deleted>
19. <Omitted>	15. <Unchanged>
20. Business of <u>design</u> , production, sale, and export and import of character goods (<u>items with images of people, animals, etc. having unique names and characteristics on them</u>), toys, ornaments and everyday sundries.	16. Business of production, sale, and export and import of character goods, toys, ornaments and everyday sundries.
21. Business of sales promotion planning, design, production, sale, export and import of goods related to display materials, mobile equipment, control equipment, <u>clothing, convenience goods</u> , garment <u>textiles</u> , foodstuffs, <u>beverages</u> , alcoholic beverages, <u>stationery</u> , sports goods, <u>toys</u> , cosmetics, precious metals, precious stones, artworks, etc.	17. Business of sales promotion planning, design, production, <u>manufacture</u> , sale, export and import of goods and related to display materials, mobile equipment, control equipment, garments, foodstuffs, alcoholic beverages, sports goods, cosmetics, precious metals, precious stones, artworks, etc.
22. <u>Restaurant business, and business of management of cafes, etc.</u>	18. Restaurant business.
23. <Omitted>	19. <Unchanged>
24. Business of management, administration and operation of <u>hotels, inns and other</u> accommodation facilities.	20. Business of management, administration and operation of accommodation facilities.
25. <Omitted>	21. <Unchanged>
26. Business of planning, production, editing and sale of audio and video works including <u>TV programs, radio programs</u> , videos, records, commercials and movies, <u>and planning and production of stage performance</u> .	22. Business of planning, production, editing, sale and <u>distribution</u> of audio and video works including videos, records, commercials and movies.
27.- 31. <Omitted>	23.- 27. <Unchanged>
32. <u>Business of collection and sale of information via communication system.</u>	<Deleted>
33. <Omitted>	28. <Unchanged>
34. Business of acquisition, planning, production, preservation, permission for use, sale, lease, consulting services, and management and operation of <u>industrial property rights, intellectual property rights such as copyrights</u> , portrait rights, merchandising rights, know-how, system engineering and other software, and intermediation services thereof.	29. Business of acquisition, planning, production, preservation, permission for use, sale, lease, consulting services, and management and operation of intellectual property rights, portrait rights, merchandising rights, know-how, system engineering and other software, and intermediation services thereof.
35. - 37. <Omitted>	30. - 32. <Unchanged>
38. Business of administrative agency services related to <u>commercial transactions and</u> payment processing using networks of the Internet, etc.	33. Business of administrative agency services related to payment processing using networks of the Internet, etc., <u>and business related to countermeasures against unlawful acts.</u>
39. Design, development, management, operation and maintenance of product sale and purchase systems using networks of the Internet, etc., and related commissioned business.	34. Design, development, management, operation and maintenance of product sale and purchase systems <u>at shopping malls and other locations</u> using networks such as the Internet, and related commissioned business, <u>in addition to management and operation of related logistics centers, and collection and processing services for logistics information.</u>

Current Articles of Incorporation	Proposed Amendments
40. - 41. <Omitted>	35. - 36. <Unchanged>
42. <u>Research and development business for logistics system.</u>	<Deleted>
43. - 47. <Omitted>	37. - 41. <Unchanged>
48. Business of acquisition, trading, investment, retention and management of financial products, real estate securitization products, currency and <u>virtual currencies</u> , etc.	42. Business of acquisition, trading, investment, retention and management of financial products, real estate securitization products, currency and <u>crypto assets</u> , etc.
49. - 53. <Omitted>	43. - 47. <Unchanged>
54. Business of intermediation, brokerage, or agency for <u>virtual currencies</u> transactions.	48. Business of intermediation, brokerage, or agency for <u>crypto assets</u> transactions <u>or over-the-counter derivative transactions related to crypto assets.</u>
55. Business related to provision of <u>virtual currencies exchange and transaction services and other services enabled by using it.</u>	49. <u>Business related to provision of services and development and provision of systems associated with crypto assets.</u>
56. <u>Business related to the development and provision of systems for virtual currencies exchange and transaction services and intermediation, brokerage, or agency for it.</u>	<Deleted>
57. Business related to the development and provision of <u>virtual currencies</u> and financial instruments using blockchain and infrastructure associated with them.	50. Business related to the development and provision of <u>crypto assets</u> and financial instruments using blockchain and infrastructure associated with them, and <u>business of development and maintenance of systems for online financial services</u> using crypto assets and blockchain.
58. <u>Business of development and maintenance of systems for online financial services using virtual currencies and blockchain.</u>	<Deleted>
59. <u>Business of over-the-counter transactions of derivatives for virtual currencies, or intermediation, brokerage, or agency for it.</u>	<Deleted>
60. The business of purchase and sale of <u>virtual currencies</u> or intermediation, brokerage, or agency for it, using an electronic data processing system, conducted through a fixed price formation methods or other similar methods, with a large number of persons participating simultaneously as parties on one side of the transaction or as parties on both sides of the transaction.	51. The business of purchase and sale of <u>crypto assets</u> or intermediation, brokerage, or agency for it, using an electronic data processing system, conducted through a fixed price formation methods or other similar methods, with a large number of persons participating simultaneously as parties on one side of the transaction or as parties on both sides of the transaction.
61. Agency and intermediation services for business alliances <u>related to companies' technologies, sale, manufacture, planning, etc.</u> , and agency and intermediation services <u>related to business transfer, sale and purchase of assets, capital participation and merger.</u>	52. Agency and intermediary services for business alliances, <u>capital alliances, and organizational restructuring activities, etc.</u>
62. - 70. <Omitted>	53. - 61. <Unchanged>
71. Business of <u>sale of telephone subscription rights</u> , lease and rental of movable assets, automobiles, and telephone subscription rights, and intermediation services thereof.	62. Business of <u>sale</u> , lease and rental of movable assets, automobiles and telephone subscription rights, and intermediation services thereof.

Current Articles of Incorporation	Proposed Amendments
<p><u>72.</u> - <u>73.</u> <Omitted></p>	<p><u>63.</u> - <u>64.</u> <Unchanged></p>
<p><u>74.</u> <u>Personnel assessment, in-company educational training, and personnel consulting services.</u></p>	<p><Deleted></p>
<p><u>75.</u> <u>Management and operation of logistics centers related to product sale and purchase systems using networks of the Internet, etc., and collection and processing services for logistics information.</u></p>	<p><Deleted></p>
<p><u>76.</u> <u>Business of setup of shopping malls on the Internet, and commissioning thereof.</u></p>	<p><Deleted></p>
<p><u>77.</u> - <u>78.</u> <Omitted></p>	<p><u>65.</u> - <u>66.</u> <Unchanged></p>
<p><u>79.</u> <u>Website operation management business using networks of the Internet, etc.</u></p>	<p><Deleted></p>
<p><u>80.</u> Business of call center operation.</p>	<p><u>67.</u> <u>Call center operation business.</u></p>
<p style="text-align: center;"><Newly established></p>	<p><u>68.</u> <u>Investigation, planning, research, manufacture, sale and development and provision of related systems in the medical and healthcare sectors, and any other businesses that utilize IT in the medical healthcare business.</u></p>
<p><u>81.</u> <Omitted></p>	<p><u>69.</u> <Unchanged></p>

Proposal No. 3 Election of Nine (9) Directors who are not Audit and Supervisory Committee Members

At the conclusion of this meeting, the terms of office of all eight (8) Directors who are not Audit and Supervisory Committee Members of the Company will expire. At this juncture, the Company proposes to elect nine (9) Directors who are not Audit and Supervisory Committee Members, increasing the number of Directors who are not Audit and Supervisory Committee Members by one (1) to enhance the management system.

It is the policy of the Company to select suitable people who have outstanding personalities and insight in addition to the knowledge and experience to execute the business of the Company accurately, fairly and efficiently as candidates for Directors (excluding Audit and Supervisory Committee Members and Outside Directors). In addition, it is the policy of the Company to select suitable people who have outstanding personalities and insight, and are able to provide advice regarding overall management based on their own knowledge, as well as appropriately represent the views of minority shareholders and other stakeholders at the Board of Directors from an independent standpoint as Outside Directors who are not Audit and Supervisory Members. Based on these policies, the President Executive Officer proposed candidates and reports were received from the Nomination and Remuneration Advisory Committee, over half of whose members were independent Outside Directors, regarding whether the candidate was appropriate. After this, the candidates were approved by the Board of Directors.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

No.	Name		Present position in the Company
1	Kaoru Hayashi	<u>Reelection</u>	Representative Director, President Executive Officer and Group CEO
2	Makoto Soda	<u>Reelection</u>	Director, Senior Managing Executive Officer
3	Keizo Odori	<u>Reelection</u>	Director, Senior Managing Executive Officer
4	Masashi Tanaka	<u>Reelection</u>	Director, Senior Executive Officer
5	Masahito Okuma	<u>Reelection</u>	Director, Senior Executive Officer
6	Joichi Ito	<u>Reelection</u>	Director
7	Kenji Fujiwara	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	Outside Director
8	Emi Omura	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	Outside Director
9	Hiroshi Shino	<u>New election</u>	Senior Corporate Officer

Candidate No.	Name (Date of birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)
1 Reelection	Kaoru Hayashi (December 26, 1959) Number of the Company's Shares Owned: 6,819,200 shares	Apr. 1983 Representative Director, From Garage, Inc.
		Aug. 1995 Founded the Company Representative Director, the Company
		Dec. 1996 Representative Director, K Garage, Inc. (now Representative Partner, K Garage, G.K.) (current position)
		June 2003 Chairman and Director, Kakaku.com, Inc. (current position)
		Nov. 2004 Representative Director, President and Group CEO, the Company
		Oct. 2013 Director and Chairman, VeriTrans Inc. (current position)
		Oct. 2013 Director and Chairman, ECONTEXT, INC. (current position)
		Oct. 2015 Director President & Chairman, econcontext Asia Limited (current position)
		July 2016 Director Chairman & CEO, Digital Garage US, Inc. (current position)
		July 2016 Director, DG Daiwa Ventures, Inc. (current position)
		Sept. 2016 Representative Director, Chairman and CEO, BI. Garage, Inc. (current position)
		Sept. 2016 Representative Director, President Executive Officer and Group CEO, the Company (current position)
		May 2017 Representative Director, Chairman and President, DG Incubation Inc. (now DG Ventures, Inc.) (current position)
		Aug. 2018 Chairman CEO, DG Communications Co., Ltd. (current position)
Sept. 2018 Director, Crypto Garage, Inc. (current position)		
<p>Reason for the nomination as candidate for Director Having paid particular attention to the potential of the Internet service in Japan from its predawn era, Kaoru Hayashi, as founding business manager of the Company, has created new Internet businesses since founding the Company in 1995. In addition, he has driven the Group business management and contributed to expansion of the business, leveraging his wealth of insights about overall Internet business. The Company therefore expects him to continue appropriately overseeing business operation of the Company and driving its medium- to long-term growth strategy, and nominated him as a candidate for Director.</p>		

Candidate No.	Name (Date of birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)
2 Reelection	Makoto Soda (June 30, 1963) Number of the Company's Shares Owned: 16,900 shares	June 1994 Joined Dresdner Kleinwort Benson Securities, Ltd.
		June 1997 Joined Daiwa Institute of Research Ltd.
		Apr. 2000 Joined Monex Securities Inc.
		Mar. 2007 Joined the Company Executive Officer, in charge of the Corporate Strategy Division
		June 2009 Director, DG Incubation, Inc. (now DG Ventures, Inc.) (current position)
		Sept. 2009 Director, Head of Group CEO Office, the Company
		Jan. 2012 Director, in charge of the Corporate Strategy Division, the Company
		Sept. 2016 Director, Senior Executive Officer, in charge of the Corporate Strategy Division, and in charge of the Media Incubation Segment, the Company
		June 2017 Director, econtext Asia Limited (current position)
		Apr. 2019 Director, Senior Executive Officer, in charge of the Corporate Strategy Division, and in charge of the Long-term Incubation Segment, the Company
June 2019 Director, Senior Executive Officer, and in charge of the Corporate Strategy Division, the Company		
Apr. 2020 Director, Senior Managing Executive Officer, and in charge of the Corporate Strategy Division, the Company (current position)		
<p>Reason for the nomination as candidate for Director Since joining the Company, Makoto Soda has been engaged in primarily corporate planning, finance, and investor relations, in his capacities as Director in charge of the Corporate Strategy Division and directors of the Group companies. In addition, he has contributed to strengthening of the financial base and expansion of the Group through M&As by reflecting his wealth of experience and expertise in overall business management and financial matters. The Company therefore expects him to continue appropriately overseeing business operation of the Company and driving its medium- to long-term growth strategy, and nominated him as a candidate for Director.</p>		

Candidate No.	Name (Date of birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	
3 Reelection	Keizo Odori (May 10, 1970) Number of the Company's Shares Owned: 8,800 shares	<p>Apr. 2000 Joined Faith, Inc.</p> <p>June 2005 Director, Faith, Inc.</p> <p>Sept. 2010 Director, the Company</p> <p>Apr. 2012 Director, VeriTrans Inc. (current position)</p> <p>Sept. 2012 Director and in charge of the Payment Segment (now the Financial Technology Segment), the Company</p> <p>Sept. 2012 Director, econext Asia Limited (current position)</p> <p>Oct. 2013 Representative Director and President, Econext, Inc. (current position)</p> <p>Oct. 2015 Director, iRidge, Inc. (current position)</p> <p>Sept. 2016 Director, DG Technologies, Inc. (current position)</p> <p>June 2017 Representative Director and President, DK Gate, Inc. (current position)</p> <p>June 2018 Director, DG MARKETING DESIGN, Inc.</p> <p>Oct. 2018 Director, Senior Executive Officer, in charge of the Financial Technology Segment, and in charge of the Marketing Technology Segment, the Company</p> <p>Jan. 2019 Director, TD Payment Corporation (current position)</p> <p>Feb. 2019 Director, CyberBuzz, Inc. (current position)</p> <p>June 2019 Director, DG Daiwa Ventures, Inc. (current position)</p> <p>Mar. 2020 Director, BI. Garage, Inc. (current position)</p> <p>Apr. 2020 Director, Senior Managing Executive Officer, in charge of the Marketing Technology Segment, and in charge of the Long-term Incubation Segment, the Company (current position)</p>	
		<p>Reason for the nomination as candidate for Director</p> <p>Since joining the Company, Keizo Odori has been engaged primarily in the online settlement business, in his capacities as Director in charge of the Financial Technology Segment, in charge of the Marketing Technology Segment, and directors of the Group companies. In addition, he has contributed to growth of the business by strengthening the revenue base, managing the operation and implementing reorganization, by reflecting his wealth of experience in operational management. The Company therefore expects him to continue appropriately overseeing business operation of the Company and driving its medium- to long-term growth strategy, and nominated him as a candidate for Director.</p>	

Candidate No.	Name (Date of birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	
<p style="text-align: center;">4 Reelection</p>	<p style="text-align: center;">Masashi Tanaka (October 27, 1975)</p> <p style="text-align: center;">Number of the Company's Shares Owned: 17,200 shares</p>	<p>Apr. 1998 Joined Nippon Information and Communication Corporation</p> <p>Aug. 2001 Joined the Company</p> <p>July 2006 Director, DG&Ibex Company</p> <p>Oct. 2008 Senior Operating Officer, Executive Vice President of DG&Ibex Company, a member of the Group CEO Office, and Director of econtext Company, the Company</p> <p>Jan. 2011 Senior Operating Officer, Head of Hybrid Solution Planning Office, Executive Vice President of DG&Ibex Company, and Executive Vice President of econtext Company, the Company</p> <p>Apr. 2012 Director, VeriTrans Inc.</p> <p>Apr. 2012 Director, NaviPlus Co., Ltd.</p> <p>Sept. 2012 Director, Head of Corporate Strategy Division, and Executive Vice President of DG&Ibex Company, the Company</p> <p>July 2015 Director, Head of Corporate Strategy Division, Head of General Affairs Department, in charge of the Media Incubation Segment, and Executive Vice President of Marketing Technology Company, the Company</p> <p>July 2016 Director, in charge of DG Lab, Head of Corporate Strategy Division, Head of General Affairs Department, and in charge of the Media Incubation Segment, the Company</p> <p>Sept. 2016 Representative Director, DG Technologies, Inc. (current position)</p> <p>Apr. 2017 Director, Senior Executive Officer, in charge of DG Lab, in charge of the Incubation Technology Segment, and Head of Corporate Strategy Division, the Company</p> <p>May 2017 Director, Vice President and COO, DG Incubation, Inc (now DG Ventures, Inc.) (current position)</p> <p>June 2017 Director, DK Gate, Inc. (current position)</p> <p>May 2018 Director, Senior Executive Officer, in charge of DG Lab, in charge of the Incubation Technology Segment, and in charge of the Group CEO Division, the Company</p> <p>Sept. 2018 Director, Crypto Garage, Inc. (current position)</p> <p>June 2019 Director, Senior Executive Officer, in charge of DG Lab, in charge of the Incubation Technology Segment, and Executive Director of the Group CEO Division, the Company</p> <p>Dec. 2019 Director, Digital Garage US, Inc. (current position)</p> <p>Apr. 2020 Director, Senior Executive Officer, and in charge of the Incubation Technology Segment, the Company (current position)</p>	
		<p>Reason for the nomination as candidate for Director</p> <p>Since joining the Company, Masashi Tanaka has been engaged primarily in the marketing business and business administration of the overall Group, in his capacities as directors of the Group companies and Head of Corporate Strategy Division. In addition, he has contributed to business expansion of the Group and efficiency improvement of the business management based on his in-depth understanding on the overall Group business operation. The Company therefore expects him to continue appropriately overseeing business operation of the Company and driving its medium- to long-term growth strategy, and nominated him as a candidate for Director.</p>	

Candidate No.	Name (Date of birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	
5 Reelection	Masahito Okuma (October 24, 1975) Number of the Company's Shares Owned: 2,700 shares	<p>Apr. 1999 Joined Mitsubishi Corporation</p> <p>Mar. 2011 Joined FAST RETAILING CO., LTD.</p> <p>Dec. 2015 Vice President, UNIQLO USA LLC</p> <p>Nov. 2016 Joined the Company</p> <p>Apr. 2017 Corporate Officer and COO of DG Lab, the Company</p> <p>May 2017 Director, DG Incubation, Inc. (now DG Ventures, Inc.) (current position)</p> <p>Dec. 2017 Director COO, Digital Garage US, Inc. (current position)</p> <p>Apr. 2018 Senior Corporate Officer and COO of DG Lab, the Company</p> <p>May 2018 Senior Corporate Officer, COO of DG Lab, Head of Group CEO Division, and Head of Business Innovation Department, Group CEO Division, the Company</p> <p>June 2018 Director, Senior Executive Officer, COO of DG Lab, Head of Group CEO Division, and Head of Business Innovation Department, Group CEO Division, the Company</p> <p>Sept. 2018 President, Crypto Garage, Inc.</p> <p>Dec. 2018 Director, Senior Executive Officer, COO of DG Lab, and Head of Group CEO Division, the Company</p> <p>Apr. 2019 President and CEO, Crypto Garage, Inc. (current position)</p> <p>June 2019 Representative Director, DG Daiwa Ventures, Inc. (current position)</p> <p>June 2019 Director, Senior Executive Officer, in charge of the Group CEO Division, Head of the Group CEO Division, in charge of the Long-term Incubation Segment, and COO of DG Lab, the Company</p> <p>Aug. 2019 Dentsu ScienceJam Inc. (current position)</p> <p>Nov. 2019 Representative Director, BrainscanTechnologies, Inc. (current position)</p> <p>Apr. 2020 Director, Senior Executive Officer, in charge of DG Lab Division, and in charge of other related business, the Company (current position)</p>	
		<p>Reason for the nomination as candidate for Director</p> <p>Masahito Okuma joined the Company after working at a major general trading company and a major apparel maker. Since then, taking advantage of his previous experience at business corporations, he has put effort into not only the development of next-generation business but also global alliances, mainly while in charge of DG Lab, an R&D organization. The Company therefore believes that he will promote the appropriate supervision of its business operations, the development of new business, and global alliances, and that he will contribute to improving value over the medium- to long-term. Accordingly, the Company nominated him as a candidate for Director.</p>	

Candidate No.	Name (Date of birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	
6 Reelection	Joichi Ito (June 19, 1966) Number of the Company's Shares Owned: 20,000 shares	Apr. 1994	Representative Director, Ecosys Ltd.
		Aug. 1995	Founded the Company Representative Director, the Company
		June 1999	Director, the Company
		June 1999	Representative Director and Chairman, Infoseek Corporation
		Dec. 1999	Representative Director and President, Neoteny Co., Ltd.
		Sept. 2000	Representative Director, Cura Co., Ltd.
		June 2002	Director, PIA Corporation
		Dec. 2004	Adviser, the Company
		Jan. 2005	Director, Technorati Japan, Inc.
		Nov. 2005	Director, Mozilla Japan, a Middle-natured Corporation with the Limited Liability
		Aug. 2006	Director, BI. Garage, Inc.
		Sept. 2006	Director, the Company (current position)
		June 2009	Outside Director, Culture Convenience Club Co., Ltd.
		Apr. 2011	Director, Massachusetts Institute of Technology (MIT) Media Lab
		July 2011	Director, Digital Garage US, Inc.
June 2012	Board Member, The New York Times Company		
June 2013	Director, Sony Corporation		
May 2015	Board Member, Chairman, PureTech Health plc		
<p>Reason for the nomination as candidate for Director Joichi Ito has been engaged in a number of Internet businesses, leading penetration of Internet in Japan and co-founding the Company. He has also contributed to business expansion of the Group by leveraging his broad experience in Internet company management and engagement as venture capitalist. The Company therefore expects him to continue appropriately overseeing business operation of the Company and driving its medium- to long-term growth strategy, and nominated him as a candidate for Director.</p>			
7 Reelection Outside Independent	Kenji Fujiwara (September 25, 1946) Number of the Company's Shares Owned: 23,800 shares	Apr. 1969	Joined Shufu-no-mise Daiei, Inc. (now The Daiei, Inc.)
		May 1993	Director, Shufu-no-mise Daiei, Inc.
		June 1994	Representative Director & President, Daiei Convenience Systems, Co. Ltd. (now Lawson, Inc.)
		May 2000	Director, President & Chairman, former Econtext, Inc.
		May 2002	Chairman and Representative Director, Daiei Convenience Systems Co., Ltd. (now Lawson, Inc.)
		June 2003	President, Representative Director, FANCL CORPORATION
		Mar. 2007	Chairman, Representative Director, FANCL CORPORATION
		Jan. 2008	Director and Chairman, ThreeWin Co. Ltd.
		July 2008	Director, SBS Corporation
		Sept. 2008	Outside Director, the Company (current position)
		June 2009	Director, Kakaku.com, Inc. (current position)
June 2015	Outside Director, SUNDRUG CO. LTD. (current position)		
<p>Reason for the nomination as candidate for Outside Director Kenji Fujiwara has experience as business manager gained through the positions as President and Chairman of Daiei Convenience Systems, Co. Ltd. (now Lawson, Inc.) and other important posts at listed companies. As Outside Director of the Company, he has provided us with valuable opinions and suggestions concerning business management of the Company from a holistic perspective based on his wealth of experience as business manager. The Company therefore expects him to continue contributing to appropriate oversight of business operation of the Company, and nominated him as a candidate for Outside Director who is not an Audit and Supervisory Committee Member.</p>			

Candidate No.	Name (Date of birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	
8 Reelection Outside Independent	Emi Omura (September 2, 1976) Number of the Company's Shares Owned: – shares	Oct. 2002	Admitted to practice law in Japan (Tokyo Bar Association)
		July 2008	Partner, Athena Law Office
		Sept. 2010	Associate Expert, International Labour Office in Geneva, the International Labour Organization (ILO)
		Jan. 2014	Director, the Office of International Affairs, Japan Federation of Bar Associations
		Sept. 2014	Outside Director, the Company (current position)
		June 2019	Counsel, Kamiyacho International Law Office (current position)
<p>Reason for the nomination as candidate for Outside Director Although Emi Omura has not been involved in corporate management other than having served as an outside officer, she has experience in global work environment through her post at an international institution in addition to her wealth of experience and expertise as attorney-at-law. As Outside Director of the Company, she has provided us with valuable opinions and suggestions concerning business management of the Company from a broader perspective. The Company therefore expects her to continue contributing to appropriate oversight of business operation of the Company, and nominated her as a candidate for Outside Director who is not an Audit and Supervisory Committee Member.</p>			
9 New election	Hiroshi Shino (July 24, 1976) Number of the Company's Shares Owned: 3,800 shares	Apr. 2000	Joined Softbank Finance Corporation
		Nov. 2011	Director and Executive Officer, VeriTrans Inc.
		Apr. 2013	Representative Director, Executive Officer and CEO, NaviPlus Co., Ltd. (current position)
		Oct. 2013	Director, Executive Officer and COO, VeriTrans Inc.
		July 2015	Corporate Officer, the Company
		Sept. 2015	Director, ECONTEXT, INC. (current position)
		Sept. 2015	Representative Director, Executive Officer and President, VeriTrans Inc. (current position)
		Sept. 2016	Senior Corporate Officer, the Company
		Oct. 2016	Director and COO, ANA Digital Gate, Inc. (current position)
		Dec. 2018	Director, TD Payment Corporation (current position)
		Sept. 2018	Director, SCORE.Co., Ltd. (current position)
		Apr. 2020	Senior Corporate Officer and in charge of the Financial Technologies Segment, the Company (current position)
<p>Reason for the nomination as candidate for Director Hiroshi Shino has been engaged in the online payment business since its early days. He has also contributed to business growth, principally as Representative Director of VeriTrans Inc. and Director of ECONTEXT, INC., engaging in financial technology businesses, by leveraging his past experience since he joined the Group. The Company therefore believes that he will contribute to the appropriate supervision of its business operations, promoting the financial technology business, and improving value of the Company over the medium- to long-term. Accordingly, the Company nominated him as a candidate for Director.</p>			

*1 Candidate for Director Kaoru Hayashi serves concurrently as Representative Director, Chairman and CEO of BI. Garage, Inc., which is a subsidiary of the Company. The Company has a business relationship with BI. Garage, Inc. concerning (i) outsourcing service for administrative work of BI. Garage, Inc., (ii) office leasing, (iii) office equipment leasing at BI. Garage, Inc., (iv) secondment of the Company's employees to BI. Garage, Inc., (v) business transactions.

Kaoru Hayashi also serves concurrently as Chairman CEO of DG Communications Co., Ltd., which is a subsidiary of the Company. The Company has a business relationship with DG Communications Co., Ltd. concerning (i) secondment of the Company's employees to DG Communications Co., Ltd., (ii) business transactions.

*2 Candidate for Director Keizo Odori serves concurrently as Representative Director and President of DK Gate, Inc., which is a subsidiary of the Company. The Company has a business relationship with DK Gate, Inc. concerning (i) outsourcing service for administrative work of DK Gate, Inc., (ii) secondment of the Company's employees to DK Gate, Inc.

- *3 Candidate for Director Masashi Tanaka serves concurrently as Representative Director of DG Technologies, Inc., which is a subsidiary of the Company. The Company has a business relationship with DG Technologies, Inc. concerning (i) outsourcing service for administrative work of DG Technologies, Inc., (ii) office leasing, (iii) office equipment leasing at DG Technologies, Inc.
- *4 Candidate for Director Masahito Okuma serves concurrently as President and CEO of Crypto Garage, Inc., which is a subsidiary of the Company. The Company has a business relationship with Crypto Garage, Inc. concerning (i) outsourcing service for administrative work of Crypto Garage, Inc., (ii) office leasing, (iii) office equipment leasing at Crypto Garage, Inc., (iv) secondment of the Company's employees to Crypto Garage, Inc.
- Masahito Okuma also serves concurrently as Representative Director of DG Daiwa Ventures, Inc., which is an equity-method affiliate of the Company. The Company has a business relationship with DG Daiwa Ventures, Inc. concerning (i) outsourcing service for administrative work of DG Daiwa Ventures, Inc., (ii) office leasing, (iii) office equipment leasing at DG Daiwa Ventures, Inc., (iv) secondment of the Company's employees to DG Daiwa Ventures, Inc.
- *5 There is no special interest between any other candidates for Directors and the Company.
- *6 Candidate for Director Kenji Fujiwara is a candidate for Outside Director. At the conclusion of this meeting, his tenure as Outside Director of the Company will have been 11 years and nine months.
- Kenji Fujiwara is serving as a non-Executive Director in Kakaku.com, Inc., which is a specified affiliated business operator for the Company. (scheduled to retire on June 18, 2020) Kakaku.com, Inc., which is an affiliate of the Company, has a business relationship with the Company. In the fiscal year ended March 31, 2020, the value of business transactions between the Company and Kakaku.com, Inc. was as low as less than 3% of net sales on a consolidation of the Company as well as that of Kakaku.com, Inc. Consequently, the Company has determined that Kenji Fujiwara is sufficiently independent to fulfill his role as Director.
- *7 Candidate for Director Emi Omura is a candidate for Outside Director. At the conclusion of this meeting, her tenure as Outside Director of the Company will have been five years and nine months.
- *8 It is prescribed in the Articles of Incorporation of the Company in effect that the Company may enter into an agreement with Directors (excluding Executive Directors, etc.) to limit their liability for damages to the Company in an effort to attract competent individuals to the said posts.
- The Company has entered into the said agreement with Kenji Fujiwara and Emi Omura to limit their liability for damages. If the Proposal No. 3 is approved, the Company plans to renew the agreement with them.
- The details of the agreement are as follows:
- The Director shall be liable to the Company for damages caused by neglect of his or her duties, under Article 423, paragraph 1 of the Companies Act, up to the minimum amount prescribed in Article 425, paragraph 1 of the same Act.
 - The limitation of the liability above shall apply only when the Director acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.
- *9 The Company has designated candidates for Directors Kenji Fujiwara and Emi Omura as independent officers in accordance with the regulations of Tokyo Stock Exchange Inc. and notified therein. If they are reelected, the Company plans to continue their independent officer designation.

Proposal No. 4: Election of Five (5) Directors who are Audit and Supervisory Committee Members

At the conclusion of this meeting, the terms of office of all four (4) Directors who are Audit and Supervisory Committee Members of the Company will expire. At this juncture, the Company proposes to elect five (5) Directors who are Audit and Supervisory Committee Members, increasing the number of Directors who are Audit and Supervisory Committee Members by one (1) to enhance the audit and supervisory system.

It is the policy of the Company to select suitable people who have outstanding personalities and insight in addition to the knowledge and experience to audit the execution of duties of Directors accurately, fairly and efficiently as candidates for Directors who are Audit and Supervisory Members. Based on this policy, the President Executive Officer proposed candidates, and reports were received from the Nomination and Remuneration Advisory Committee, over half of whose members were independent Outside Directors, regarding whether the candidate was appropriate. After this, consent was received from the Audit and Supervisory Committee regarding the submission of a proposal for their election at the General Meeting of Shareholders, and the candidates were approved by the Board of Directors.

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

No.	Name		Present position in the Company
1	Yasuyuki Rokuyata	Reelection	Director, Audit and Supervisory Committee Chairperson
2	Makoto Sakai	Reelection Outside Independent	Outside Director, Audit and Supervisory Committee Member
3	Junji Inoue	Reelection Outside Independent	Outside Director, Audit and Supervisory Committee Member
4	Koji Makino	Reelection Outside Independent	Outside Director, Audit and Supervisory Committee Member
5	Minoru Ohno	New election Outside Independent	—

Candidate No.	Name (Date of birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)
1 Reelection	Yasuyuki Rokuyata (April 5, 1956) Number of the Company's Shares Owned: 401,700 shares	Feb. 1979 Representative Director, Dude, Co., Ltd. (current position)
		July 1994 Director, Studio Garage, Inc.
		Dec. 1995 Director, the Company
		Dec. 2004 Representative Director and President, Creative Garage, Inc.
		Mar. 2011 Representative Director and President, DG Incubation, Inc. (now DG Ventures, Inc.)
		July 2011 Director and COO, the Company
		Sept. 2012 Director, Vice President and in charge of the Incubation Segment (now the Incubation Technology Segment), the Company
		July 2013 Director, Digital Garage US, Inc.
		June 2015 Representative Director and President, DK Gate, Inc.
		Aug. 2015 Director, econext Asia Limited
		Sept. 2016 Director, Vice President Executive Officer, and in charge of the Incubation Technology Segment, the Company
		Nov. 2016 Director, DG Communications Co., Ltd.
		Apr. 2017 Director, Vice President Executive Officer, the Company
		June 2018 Auditor, DG Daiwa Ventures, Inc. (current position)
		June 2018 Auditor, BI. Garage, Inc. (current position)
		June 2018 Auditor, DG Communications Co., Ltd. (current position)
		June 2018 Auditor, DG Incubation, Inc. (now DG Ventures, Inc.) (current position)
		June 2018 Auditor, DG Technologies, Inc. (current position)
		June 2018 Auditor, DK Gate, Inc. (current position)
		June 2018 Director (Audit and Supervisory Committee Chairperson), the Company (current position)
July 2018 Auditor, D2 Garage, inc. (current position)		
Sept. 2018 Auditor, Crypto Garage, Inc. (current position)		
Jan. 2019 Auditor, TD Payment Corporation (current position)		
June 2019 Auditor, BrainscanTechnologies, Inc. (current position)		
Jan. 2020 Auditor, ACADEMIE DU VIN (current position)		
<p>Reason for the nomination as candidate for Director Yasuyuki Rokuyata has been active in the business management of the Company since its foundation, and has been engaged in the overall businesses of the Group, centering on incubation business in his capacities as Vice President of the Company and directors of the Group companies. The Company therefore expects him to contribute to appropriate oversight of business operation of the Company and ensuring its sound business management by leveraging his extensive experience in business management, and nominated him as a candidate for Director who is an Audit and Supervisory Committee Member.</p>		

Candidate No.	Name (Date of birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)
2 Reelection Outside Independent	<p style="text-align: center;">Makoto Sakai (February 21, 1957)</p> <p>Number of the Company's Shares Owned: 1,300 shares</p>	<p>Apr. 1986 Admitted to practice law in Japan (Nagoya Bar Association)</p> <p>Apr. 1988 Registered to the Tokyo Bar Association</p> <p>Aug. 2000 Established the Sakai Makoto Law Office</p> <p>June 2001 Corporate Auditor, Oak Capital Corporation (current position)</p> <p>Mar. 2005 Partner, the Sirius Law Office</p> <p>Sept. 2010 Outside Auditor, the Company</p> <p>Sept. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (current position)</p> <p>Mar. 2019 Representative, the Sakai Makoto Law Office (current position)</p>
<p>Reason for the nomination as candidate for Outside Director</p> <p>Although Makoto Sakai has not been involved in corporate management other than having served as an outside officer, he has considerable experience and expertise as attorney-at-law. As Outside Auditor and Outside Director who is an Audit and Supervisory Committee Member of the Company, he has provided us with valuable opinions and suggestions concerning business management of the Company from the legal perspective. The Company therefore expects him to continue contributing to appropriate oversight of business operation of the Company and ensuring its sound business management, and nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>		

Candidate No.	Name (Date of birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	
<p style="text-align: center;">3 Reelection Outside Independent</p>	<p>Junji Inoue (September 18, 1949)</p> <p>Number of the Company's Shares Owned: – shares</p>	<p>Apr. 1974 Joined Mitsubishi Corporation</p> <p>June 1993 Chief of Palo Alto Office, Mitsubishi International Corporation Established MC Silicon Valley President, MC Silicon Valley</p> <p>Mar. 2000 Senior Vice President and General Manager, eCommerce Department, iMIC Division, Mitsubishi International Corporation</p> <p>Apr. 2003 Executive Officer, Mitsubishi Corporation</p> <p>June 2003 Representative Director, Executive Officer & President, IT Frontier Corp.</p> <p>Mar. 2005 Representative Director and President, IT Frontier Corp.</p> <p>June 2007 Director, eAccess Ltd.</p> <p>Apr. 2009 Representative Director & Chairman, CEO and CTO, IT Frontier Corp.</p> <p>Apr. 2011 Adviser, IT Frontier Corp.</p> <p>Apr. 2012 Adviser, Bewith, Inc. (current position)</p> <p>June 2012 Executive Managing Director, Remote Sensing Technology Center of Japan (current position)</p> <p>Sept. 2012 Outside Auditor, the Company</p> <p>July 2016 Adviser, Takasago Thermal Engineering Co., Ltd. (current position)</p> <p>Sept. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (current position)</p>	
		<p>Reason for the nomination as candidate for Outside Director</p> <p>Junji Inoue has a wealth of overseas business experience, and as Outside Auditor and Outside Director who is an Audit and Supervisory Committee Member of the Company, he has provided us with valuable opinions and suggestions concerning business management of the Company from a global perspective. The Company therefore expects him to continue contributing to appropriate oversight of business operation of the Company and ensuring its sound business management, and nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>	

Candidate No.	Name (Date of birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	
4 Reelection Outside Independent	Koji Makino (October 7, 1966) Number of the Company's Shares Owned: 1,000 shares	Oct. 1988	Joined KPMG Minato Audit Firm (now KPMG AZSA LLC) Tokyo Office
		Aug. 1992	Became a Certified Public Accountant
		Aug. 1997	Manager, KPMG Melbourne Office
		Sept. 2000	Century Ota Showa & Co. (now KPMG AZSA LLC) Tokyo Office
		Sept. 2001	Joined Dan Consulting Co., Ltd.
		Oct. 2001	Became a Certified Public Tax Accountant
		July 2003	Director, Dan Consulting Co., Ltd.
		Jan. 2006	Established and Representative, Makino Koji Certified Public Accountant Office (current position)
		Feb. 2009	Director, BE1 Accounting Office (current position)
		Sept. 2012	Outside Auditor, the Company
		June 2013	Outside Auditor, Inageya Co., Ltd. (current position)
		Dec. 2015	Outside Auditor, Obara Group Inc.
		Sept. 2016	Outside Director (Audit and Supervisory Committee Member), the Company (current position)
		Dec. 2017	Outside Director, Obara Group Inc. (current position)
<p>Reason for the nomination as candidate for Outside Director Although Koji Makino has not been involved in corporate management other than having served as an outside officer, he has a wealth of experience and expertise as certified public accountant and consultant. As Outside Auditor and Outside Director who is an Audit and Supervisory Committee Member of the Company, he has provided us with valuable opinions and suggestions concerning business management of the Company from the accounting and taxation perspective. The Company therefore expects him to continue contributing to appropriate oversight of business operation of the Company and ensuring its sound business management, and nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>			
5 New election Outside Independent	Minoru Ohno (November 13, 1952) Number of the Company's Shares Owned: – shares	Jan. 1977	Established Labor Consultants Ohno Office
		Apr. 2003	Representative Member, Labor Consultants Ohno Office (current position)
		Sept. 2003	Auditor, the Company
		Apr. 2009	Part-time lecturer, Graduate School of Law, Aoyama Gakuin University
		May 2013	Chairman, Tokyo Labor and Social Security Attorney Association
		June 2013	Vice Chairman, Japan Federation of Labor and Social Security Attorney's Associations
		Dec. 2013	Council Member, Japan Pension Service Management Council
		June 2015	Advisor, Japan Federation of Labor and Social Security Attorney's Associations
		June 2017	Chairman, Tokyo Labor and Social Security Attorney Association
		June 2017	Outside Director (Audit and Supervisory Committee Member), the Company
		June 2019	Chairman, Japan Federation of Labor and Social Security Attorney's Associations (current position)
<p>Reason for the nomination as candidate for Outside Director Although Minoru Ohno has not been involved in corporate management other than having served as an outside officer, he has a wealth of experience and expertise as labor and social security attorney. As Outside Auditor and Outside Director who is an Audit and Supervisory Committee Member of the Company, he had provided us with valuable opinions and suggestions concerning business management of the Company in the past. The Company therefore expects him to contribute to appropriate oversight of business operation of the Company and ensuring its sound business management, and nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>			

*1 Makoto Sakai is a candidate for Outside Director. He is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company. At the conclusion of this Ordinary Shareholders'

General Meeting, he will have been in the post for three years and nine months. Including his time as an Outside Auditor, Makoto Sakai's total length of service will amount to nine years and nine months.

- *2 Junji Inoue is a candidate for Outside Director. He is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company. At the conclusion of this Ordinary Shareholders' General Meeting, he will have been in the post for three years and nine months. Including his time as an Outside Auditor, Junji Inoue's total length of service will amount to seven years and nine months.
- *3 Koji Makino is a candidate for Outside Director. He is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company. At the conclusion of this Ordinary Shareholders' General Meeting, he will have been in the post for three years and nine months. Including his time as an Outside Auditor, Koji Makino's total length of service will amount to seven years and nine months.
- *4 Candidate for Director Minoru Ohno concurrently serves as Representative Member of Labor Consultants Ohno Office. While the Company has entered into an advisory agreement with the said office, the advisory fee paid by the Company to the office in the fiscal year ended March 31, 2020 was less than 1 million yen (less than 0.01% of net sales on a consolidation of the Company) and as low as less than 1% of annual net sales of the said office.
- *5 Candidate for Director Minoru Ohno is a new candidate for Director. In addition, Minoru Ohno is a candidate for Outside Director.
- *6 Candidate for Director Minoru Ohno has been a non-executive officer (Auditor and Director who is an Audit and Supervisory Committee Member) of the Company in the past.
- *7 It is prescribed in the Articles of Incorporation of the Company in effect that the Company may enter into an agreement with Directors (excluding Executive Directors, etc.) to limit their liability for damages to the Company in an effort to attract competent individuals to the said posts.

The Company has entered into the said agreement with Makoto Sakai, Junji Inoue, and Koji Makino to limit their liability for damages. If the Proposal No. 4 is approved, the Company plans to renew the agreement with them.

If the election of candidate for Director Minoru Ohno is approved, the Company plans to enter into the said agreement with him.

The details of the agreement are as follows:

- The Director shall be liable to the Company for damages caused by neglect of his or her duties, under Article 423, paragraph 1 of the Companies Act, up to the minimum amount prescribed in Article 425, paragraph 1 of the same Act.
 - The limitation of the liability above shall apply only when the Director acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.
- *8 The Company has designated candidates for Directors Makoto Sakai, Junji Inoue, and Koji Makino as independent officers in accordance with the regulations of Tokyo Stock Exchange Inc. and notified therein. If they are reelected, the Company plans to continue their independent officer designation.
Candidate for Director Minoru Ohno satisfies the independent officer requirements in accordance with the regulations of Tokyo Stock Exchange Inc. and the Company plans to notify him as an independent officer to the said exchange.
 - *9 There is no special interest between any other candidates for Directors and the Company.

(Reference) Composition of the Board of Directors

Assuming Proposal No. 3 and Proposal No. 4 are approved without changes, the composition of the Company’s Board of Directors will be as follows.

	Number of People	Outside Director	Independent Officer	
			Independent Officer	Proportion of Independent Officer
Director (excluding Audit and Supervisory Committee Member)	9	2	2	22.2%
Director (Audit and Supervisory Committee Member)	5	4	4	80.0%
Total	14	6	6	42.9%

As shown above, six of the 14 members of the Board of Directors will be Outside Directors, accounting for more than one third of the total. The all six Outside Directors will be independent officers. The Company believes this structure will result in highly effective oversight within the Board of Directors.

End