

English Translation of Original Japanese

This is a translation of the original notice in Japanese. In the event of any discrepancy, the original notice in Japanese shall prevail.

Securities code number: 2432
June 9, 2017

To Our Shareholders

DeNA Co., Ltd.
21-1, Shibuya 2-chome
Shibuya-ku, Tokyo
President & CEO: Isao Moriyasu

Notice of the Convocation of the 19th Ordinary General Meeting of Shareholders

You are hereby notified that DeNA will convene its 19th annual ordinary general meeting of shareholders (the "Annual Meeting") as indicated below. You are respectfully requested to attend.

If, however, you do not plan to attend the Annual Meeting, you can cast your proxy vote either by sending the enclosed proxy voting ballot or electronically (via the Internet). After reviewing the Reference Documents for the Annual Meeting accompanying this Notice, please cast your proxy vote no later than 6 p.m. on Friday, June 23, 2017 (JST).

Thank you.

The details of the Annual Meeting are as follows:

- 1. Time:** Saturday, June 24, 2017, at 3 p.m. (reception starts at 2 p.m.)
- 2. Place:** Hikarie Hall, Shibuya Hikarie (9th floor)
21-1, Shibuya 2-chome, Shibuya-ku, Tokyo
(Please be aware that the time and meeting venue are different from those of the previous year)

3. Objectives of the Annual Meeting

Matters to be reported:

- a. The contents of the Business Report for the 19th period (April 1, 2016 to March 31, 2017), the Consolidated Financial Statements, and the audit reports of the Accounting Auditor as well as the Company's Board of Corporate Auditors regarding the Consolidated Financial Statements.
- b. The contents of the Financial Statements for the 19th period (April 1, 2016 to March 31, 2017)

Matters to be resolved:

- Proposal 1: Allocation of Surplus
- Proposal 2: Partial Revision of the Articles of Incorporation
- Proposal 3: Appointment of Five (5) Directors
- Proposal 4: Appointment of One (1) Corporate Auditor
- Proposal 5: Change of the Amount of Cash Compensation for Outside Directors

- Please note that if you decide to attend the Annual Meeting, please bring the enclosed proxy voting ballot to the meeting and present it at the entrance to the meeting hall. In order to assist us in reducing the amount of paper used, please also bring this Notice of Convocation.

Reference Documents for the Annual Meeting

Proposals and Reference Documents

Proposal 1: Allocation of Surplus

The proposed allocation of surplus is as follows:

The Company regards as important management priorities the continuing enhancement of its corporate value through business growth and strengthening of its management structure and contributing to shareholders' earnings.

With respect to allocating profit for the year to shareholders through dividend payments, after taking into account such matters as the Company's performance for each fiscal year, the Company adopts as its objective the basic principle of minimum dividend payment equal to a consolidated payout ratio of 15% or an annual dividend of ¥20 per share of the Company's common stock, whichever is higher. At the same time, the Company will continue to aim for the basic principle of dividend payments at a consolidated payout ratio of 30% in the future.

Regarding the final dividend for the 19th period, in accordance with the above-mentioned basic principle, after taking into account such factors as the Company's financial results for the fiscal year ended March 31, 2017, the future business environment, and retained earnings necessary for continuing growth, the following proposal has been made:

1. Type of dividend: Cash dividend
2. Matters related to the allocation of the assets to be paid as dividends and the total amount of dividends:
The Company proposes paying a dividend of ¥32 per common share, and, in aggregate, dividends of ¥4,656,462,240.
Note: The above amount includes dividends in the amount of ¥13,624,128 be paid on the Company's shares held by the Stock Grant ESOP Trust account. The total amount of dividends excluding the above amount shall be ¥4,642,838,112.
3. Effective date of distribution of dividends from surplus: June 26, 2017

<Reference>

The amount of final dividends per share for the last four fiscal years

	Final dividend per share			Proposed allocation
Period	16th period	17th period	18th period	19th period (current)
Amount	¥37	¥20	¥20	¥32

Proposal 2: Partial Revision of the Articles of Incorporation

1. Reason for the revision

The Company proposes to make the following changes to its Articles of Incorporation, with the aim of further strengthening corporate governance.

- (1) Article 20 (Term of Office of Directors) is to be revised to shorten the term of office for Directors from two (2) years to one (1) year, in order to create a management structure that is able to promptly and flexibly adapt to changes in the business environment, further clarify the directors' management responsibility for the fiscal year, and ensure management's accountability to shareholders. In addition, Part 2 of Article 20, which refers to the adjustment of term, is to be deleted.
- (2) Article 14 (Convener and Chairperson for the Board Meetings) is to be revised, in order to enable flexible and agile handling of the operation of the Ordinary General Meeting of Shareholders.
- (3) Article 21 (Convening of the Board and Chairperson for the Board Meetings) is to be revised, to enable the Board of Directors to appoint a convener and a chairperson for the board meetings, in order to strengthen the oversight function of the Board of Directors.

2. Content of the revision

The content of the revision is as follows:

(Revised portions are underlined.)

Current Articles of Incorporation	After Proposed Revision
<p>(Convener and Chairperson for the Board Meetings)</p> <p>Article 14 A general meeting of shareholders shall be convened by the Director and <u>President</u> based on a resolution of the Board of Directors unless otherwise stipulated by laws and regulations. In the event that the <u>President</u> is unable to act, another Director shall convene the meeting in accordance with the order of priority determined by the Board of Directors in advance.</p> <p>(Term of Office of Directors)</p> <p>Article 20 The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within two (2) years from his/her election to office.</p> <p><u>2. The term of office of a Director elected to fill a vacancy caused by a Director retiring prior to the expiry of his/her term of office or to increase the number of Directors shall be the same as the remaining term of office of the other Directors in office at that time.</u></p>	<p>(Convener and Chairperson for the Board Meetings)</p> <p>Article 14 A general meeting of shareholders shall be convened by a Director <u>designated in advance by the Board of Directors</u> unless otherwise stipulated by laws and regulations. In the event that the <u>designated</u> Director is unable to act, another Director shall convene the meeting in accordance with the order of priority determined by the Board of Directors in advance.</p> <p>(Term of Office of Directors)</p> <p>Article 20 The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within <u>one (1) year</u> from his/her election to office.</p> <p>(deleted)</p>

Current Articles of Incorporation	After Proposed Revision
<p>(Convening of the Board and Chairperson for the Board Meetings)</p> <p>Article 21 Board meetings shall be convened and chaired by the <u>President</u> unless otherwise stipulated by laws and regulations. In the event that the <u>President</u> is unable to act, another Director shall convene and chair the meeting in accordance with the order of priority previously determined by the Board of Directors.</p> <p>2. (omitted)</p> <p>3. (omitted)</p>	<p>(Convening of the Board and Chairperson for the Board Meetings)</p> <p>Article 21 Board meetings shall be convened and chaired by a Director <u>designated in advance</u> by the Board of Directors unless otherwise stipulated by laws and regulations. In the event that the <u>designated Director</u> is unable to act, another Director shall convene and chair the meeting in accordance with the order of priority previously determined by the Board of Directors.</p> <p>2. (content unchanged)</p> <p>3. (content unchanged)</p>

Proposal 3: Appointment of Five (5) Directors

The term of all the Directors (five in number) will end at the closing of this Annual Meeting.

The Company considers the five incumbent Directors (two of which are Outside Directors) as the best team to vigorously promote the enhancement of corporate governance and internal controls while driving the development of Internet-related services, which are the core of the DeNA Group's business. Therefore the Company has proposed their appointment as Directors.

If Proposal 2 (Partial Revision of the Articles of Incorporation) is approved as proposed, the term of office of Directors of the Company will be one year.

See also Pages 15 and 16, "Corporate Governance and Internal Control System" and "Independence Standards for Independent Board Members" for reference.

The candidates for Director are as follows:

Candidate number	Name (Date of birth)	Summary background (position, areas of responsibility, other major posts held concurrently)	Number of Company shares held
1	Tomoko Namba (Born April 21, 1962) [Reappointment]	<p>April 1986: Entered McKinsey & Co., Inc. (Japan)</p> <p>June 1990: Graduated from Harvard Business School (MBA)</p> <p>December 1996: Partner of McKinsey & Co., Inc. (Japan)</p> <p>March 1999: Established the Company and became Director</p> <p>August 1999: Reorganized the Company to <i>Kabushiki Kaisha</i> and became Representative Director</p> <p>September 2004: Representative Director and President of the Company</p> <p>June 2005: Representative Director and President of Mobaoku Co., Ltd.</p> <p>January 2008: Director and Chairperson of DeNA Global, Inc.</p> <p>April 2009: Representative Director, President, and Chief Executive Officer (CEO) of the Company</p> <p>June 2011: Director of the Company</p> <p>June 2013: Director and Executive Officer of the Company</p> <p>January 2015: Director and Owner of YOKOHAMA DeNA BAYSTARS BASEBALL CLUB, INC. (present)</p> <p>June 2015: Director, Executive Chairman, and Executive Officer of the Company</p> <p>March 2017: Representative Director, Executive Chairman and Executive Officer of the Company (present)</p> <p>[Important concurrent posts] Director and Owner of YOKOHAMA DeNA BAYSTARS BASEBALL CLUB, INC.</p>	19,767,059 shares
<p>[Reasons for nomination as Director]</p> <p>As founder of the Company, Ms. Tomoko Namba led the management of the Company as Representative Director and President with her deep understanding of the Group's business and excellent managerial capability until 2011. After resigning as Representative Director and President, she has continued to contribute to the Company's business with her talent in public relations and communication with a wide range of domestic and overseas stakeholders, in addition to supervising management from her position as former President. The Company judges that her continued contribution to the business and supervision of management is vital for the sustainable development of the DeNA Group, and therefore has proposed her for the position of Director.</p>			

Candidate number	Name (Date of birth)	Summary background (position, areas of responsibility, other major posts held concurrently)	Number of Company shares held
2	Isao Moriyasu (Born September 21, 1973) [Reappointment]	<p>April 1998: Entered Oracle Corporation Japan</p> <p>November 1999: Entered the Company</p> <p>June 2006: Director and General Manager of Mobile Business Division and in charge of the Web-Commerce Business Division of the Company</p> <p>April 2009: Director and Chief Operating Officer (COO) of the Company</p> <p>May 2009: Director and General Manager of the Portal Business Head Office and COO of the Company</p> <p>April 2010: Director and General Manager of the Social Media Business Head Office and COO of the Company</p> <p>June 2011: Representative Director, President, Executive Officer, and General Manager of the Social Media Business Head Office of the Company</p> <p>July 2011: Director and Chairperson of DeNA Global, Inc. (present)</p> <p>April 2013: Representative Director, President & Chief Executive Officer (CEO) of the Company (present)</p>	351,346 shares
	<p>[Reason for nomination as Director]</p> <p>Mr. Isao Moriyasu has continued to be responsible for the launch and development of the DeNA Group's core businesses since the Company's foundation. He identified the changes in social circumstances and the business environment at an early stage, and has worked to transition the Group's core businesses from Internet auctions and shopping to mobile auctions, and then to mobile SNS and games, etc. He also drove the diversification of the places where the DeNA Group conducts its business, from PCs to smart mobile devices including mobile phones and smartphones. In addition, he has strived to strengthen the business portfolio for the next stage of growth, including entry into the automotive business, which has great potential. At all of these turning points for the DeNA Group, he has constantly been at the center of the proposal and execution of strategy, and has continued to drive and promote businesses. The Company judges that his broad knowledge, considerable experience and excellent management capabilities are vital for the further development of the DeNA Group, and therefore has proposed him for the position of Director.</p>		

Candidate number	Name (Date of birth)	Summary background (position, areas of responsibility, other major posts held concurrently)	Number of Company shares held
3	Shuhei Kawasaki (Born November 15, 1975) [Reappointment]	<p>April 2004: Entered DeNA</p> <p>April 2007: Assigned to the Systems Department of Portal and Commerce Division</p> <p>June 2007: Director</p> <p>April 2011: Director and Chief Technology Officer (CTO)</p> <p>June 2011: Director and Chief Technology Officer</p> <p>June 2015: Director and Executive Officer (present)</p>	7,546 shares
	<p>[Reasons for nomination as Director]</p> <p>Mr. Shuhei Kawasaki possesses excellent knowledge and outstanding technical capabilities in the Internet-related technology that is integral to the DeNA Group's business, and has been successively responsible for the technical aspects of past and present core businesses, such as the mobile auction business and the game business, as well as the development of new businesses.</p> <p>He has also fulfilled an important role using his expertise to offer opinions from a technical point of view when decisions need to be made in various situations, including board meetings of the Company. The Company would like him to further contribute to the advancement of the DeNA Group's technology and secure diversity of opinions for decision-making, and therefore has proposed him for the position of Director.</p>		

Candidate number	Name (Date of birth)	Summary background (position, areas of responsibility, other major posts held concurrently)	Number of Company shares held
4	Hiroyuki Otsuka (Born September 11, 1968) [Reappointment] [Outside] [Independent]	<p>April 1992: Joined The Sumitomo Bank, Limited. (Currently Sumitomo Mitsui Banking Corporation)</p> <p>May 2001: Vice President of Carlyle Japan LLC</p> <p>February 2002: Joined Lazard Freres & Co. LLC (Currently Lazard Ltd.)</p> <p>January 2004: Director of Lazard Ltd.</p> <p>January 2006: Managing Director of Lazard Ltd.</p> <p>April 2006: Director of Carlyle Japan LLC</p> <p>March 2011: Outside Director of TSUBAKI NAKASHIMA Co., Ltd. (present)</p> <p>January 2012: Managing Director of Carlyle Japan LLC (present)</p> <p>January 2013: Outside Director of Diversey Co., Ltd. (Currently CxS Corporation) (present)</p> <p>January 2015: Partner of the Carlyle Group (present)</p> <p>June 2015: Outside Director of the Company (present)</p> <p>Outside Director of Hitachi Metals Techno, Ltd. (Currently SENQICIA CORPORATION) (present)</p> <p>July 2016: Outside Director of Walbro Japan (present)</p> <p>[Important concurrent posts] Partner of the Carlyle Group, Managing Director of Carlyle Japan LLC and Outside Director of TSUBAKI NAKASHIMA Co., Ltd.</p>	0 shares
<p>[Reasons for nomination as Outside Director] Hiroyuki Otsuka has extensive experience in corporate management as an executive at a major international private equity fund, as well as experience in serving as an outside director of a number of business companies. He has provided valuable advice regarding the mid to long-term strategy of the Company, global development strategy and other matters since he assumed the position of Outside Director in June 2015. In addition, based on his experience and independent objective position, he has given various comments for the improvement and strengthening of corporate governance and internal controls. The Company judges that it can expect him to give appropriate advice in the decision-making of the Board of Directors, and therefore has proposed him for the position of Outside Director of the Company. Also, as a member of the Nomination Committee and Compensation Committee, which are advisory bodies to the Board of Directors for the nomination and compensation of Executive Officers, Directors, etc., the Company expects him to be appropriately involved in further improvement of the Company's corporate governance. Furthermore, he attended all of the board meetings held during this fiscal year, and has a 100% rate of attendance of the board meetings since he assumed the position in June 2015.</p> <p>Mr. Otsuka will have served as the Company's Outside Director for two years as of the end of this Annual Meeting.</p> <p>[About concurrent posts] Mr. Hiroyuki Otsuka is an executive officer of the Carlyle Group and outside director of TSUBAKI NAKASHIMA Co., Ltd. and three unlisted companies in Japan. The Company has received his explanation on his position, responsibilities and burden of duty of these concurrent posts and judges that the concurrent posts will not prevent him from fulfilling his duty as an Outside Director of the Company.</p>			

Candidate number	Name (Date of birth)	Summary background (position, areas of responsibility, other major posts held concurrently)	Number of Company shares held
5	Nobuo Domae (Born January 25, 1969) [Reappointment] [Outside] [Independent]	<p>April 1993: Joined McKinsey & Company Inc. Japan</p> <p>September 1998: Joined FAST RETAILING CO., LTD.</p> <p>November 1998: Director of FAST RETAILING CO., LTD.</p> <p>July 1999: Executive Director of FAST RETAILING CO., LTD.</p> <p>November 2004: Vice-president of FAST RETAILING CO., LTD.</p> <p>November 2005: Director of FAST RETAILING CO., LTD.</p> <p>November 2008: Executive Vice President of FAST RETAILING CO., LTD.</p> <p>December 2008: President of FAST RETAILING FRANCE S.A.S.</p> <p>August 2010: CEO of Fast Retailing USA, Inc.</p> <p>June 2016: Outside Director of the Company (present)</p> <p>Outside Director of Monex Group, Inc. (present)</p> <p>[Important concurrent posts] Outside Director of Monex Group, Inc.</p>	5,000 shares
<p>[Reasons for nomination as Outside Director]</p> <p>Mr. Nobuo Domae has extensive management experience in overseas business development, e-commerce, marketing, etc. at a major clothing retailer, and has provided valuable advice regarding the mid to long-term strategy of the Company, global development strategy and other matters since he assumed the position of Outside Director in June 2016. In addition, based on his experience and independent objective position, he has given various comments for the improvement and strengthening of the corporate governance and internal controls. The Company judges that it can expect him to give appropriate advice in the decision-making of the Board of Directors, and therefore has proposed him for the position of Outside Director of the Company.</p> <p>Also, as a member of the Nomination Committee and Compensation Committee, which are advisory bodies to the Board of Directors for the nomination and compensation of Executive Officers, Directors, etc., the Company expects him to be appropriately involved in further improvement of the Company's corporate governance.</p> <p>Mr. Domae has a 100% rate of attendance of board meetings held since he assumed the position of Outside Director in June 2016.</p> <p>Mr. Domae will have served as the Company's Outside Director for one year as of the end of this Annual Meeting.</p>			

- Notes:
1. The Company has business transactions with YOKOHAMA DeNA BAYSTARS BASEBALL CLUB, INC., in which Ms. Tomoko Namba serves as Director and Owner, including loans, advertisement, outsourcing of service planning, system operation and maintenance, and corporate administration. There are no special interest relationships between the other candidates and the Company.
 2. The Company has registered Mr. Hiroyuki Otsuka and Mr. Nobuo Domae as Independent Directors as defined by Tokyo Stock Exchange, Inc. In the event that Mr. Hiroyuki Otsuka and Mr. Nobuo Domae are reappointed as Directors, the Company intends to register them as Independent Directors as defined by the Tokyo Stock Exchange, Inc. The Company's Independence Standards for Independent Board Members are described on Page 16.
 3. During Mr. Otsuka's and Mr. Domae's term of office as Outside Directors, the Company's Curation Platform business created and published articles that possibly violated the law as well as articles with inappropriate content (the "Issue"). Both Mr. Otsuka and Mr. Domae were not aware of the Issue before it was reported to the Board of Directors. Mr. Otsuka and Mr. Domae regularly made suggestions on matters brought to the board meetings, based on their management experience in various areas, in order to enable the DeNA Group to continue to be a sustainable company that is socially responsible, and made suggestions regarding compliance with laws and regulations.
- In response to the Issue, both Mr. Otsuka and Mr. Domae actively stated their opinions at the Board of

Directors meetings on measures to be taken, from an independent, objective perspective, based on their extensive insight and experience in corporate management. They proposed an investigation by a third-party committee, and played a central role in the establishment of the committee. Furthermore, both Mr. Otsuka and Mr. Domae fulfilled their duty by providing advice, etc. with regard to the consideration of preventive measures, and fundamental review and strengthening of the corporate governance and internal controls of the Company.

4. TSUBAKI NAKASHIMA Co., Ltd., in which Mr. Otsuka is currently serving as an Outside Director, received a cease and desist order and a surcharge payment order regarding violations of the Antimonopoly Law in relation to the company's domestic precision steel ball business from the Japan Fair Trade Commission in September 2014, while Mr. Otsuka was serving in this position. Mr. Otsuka was not involved in the acts subjected to the above-mentioned orders, and was not aware of the acts until an on-site inspection was conducted in January 2014. After this event came to light, Mr. Otsuka, who had always emphasized the importance of thoroughly promoting compliance awareness in board of directors meetings, etc., expressed his recommendation for the further strengthening of the compliance structure and the implementation of measures to prevent reoccurrence, and supervised the progress thereof.
5. The Company has executed a liability limitation agreement with each of Mr. Hiroyuki Otsuka and Mr. Nobuo Domae in order to limit liability under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 26, Paragraph 2 of the Company's Articles of Incorporation. The maximum amount of liability for each of them will be the higher of ¥10 million or the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If they are reappointed, the liability limitation agreement will be extended.
6. The number of Company shares held by Director candidates Tomoko Namba, Isao Moriyasu and Shuhei Kawasaki include their Company shares held through the DeNA Directors' Shareholders Association.

Proposal 4: Appointment of One (1) Corporate Auditor

In order to further strengthen and enhance the audit system, a proposal has been made to increase the number of Corporate Auditors by one.

Prior consent has been obtained from the Board of Corporate Auditors with respect to submission of this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Summary background and major posts held concurrently	Number of Company shares held
Shinichi Koizumi (Born February 29, 1948) [New Appointment] [Outside] [Independent]	<p>April 1971: Joined Toray Industries, Inc.</p> <p>June 2004: Vice President (Member of the Board)</p> <p>June 2006: Senior Vice President (Member of the Board)</p> <p>June 2007: Senior Vice President (Member of the Board & Member of the Executive Committee)</p> <p>June 2008: Executive Vice President and Representative Member of the Board</p> <p>June 2013: Senior Advisor Chairman of the Board, Toray Corporate Business Research, Inc.</p> <p>June 2015: Advisor, Toray Industries, Inc. (present) Outside Director, OBAYASHI CORPORATION (present)</p> <p>June 2016: Outside Director, Japan Bank for International Cooperation (present)</p> <p>[Important concurrent posts] Outside Director of OBAYASHI CORPORATION and Outside Director of Japan Bank for International Cooperation</p>	0 shares
<p>[Reasons for nomination as Corporate Auditor]</p> <p>Mr. Shinichi Koizumi has abundant management experience and wide-ranging knowledge from large-scale global corporations. The Company expects that he will be able to supervise overall management and provide valuable advice from the viewpoint of considering the greater picture of how the DeNA Group ought to be in the future, and therefore has proposed him for the position of Outside Corporate Auditor.</p> <p>In the event that Mr. Koizumi is appointed Corporate Auditor, the Board of Corporate Auditors intends to make him a Standing Corporate Auditor.</p>		

- Notes:
1. In the event that Mr. Shinichi Koizumi is appointed as Corporate Auditor, the Company plans to register him as an Independent Auditor as defined by the Tokyo Stock Exchange, Inc. The Company's Independence Standards for Independent Board Members are described on Page 16.
 2. The Company has transactions relating to construction work for the office of one of its subsidiaries with OBAYASHI CORPORATION, in which Mr. Shinichi Koizumi serves as Outside Director. Mr. Koizumi has never been appointed as an inside director for OBAYASHI CORPORATION. Also the total transaction amount during the most recent fiscal year between the companies is neither 2% or more of the consolidated net sales of the DeNA Group nor 2% or more of the consolidated net sales of OBAYASHI CORPORATION. Since he fulfills the Company's Independence Standards for Independent Board Members, the Company judges that he is independent. Although the Company conducts business with OBAYASHI CORPORATION such as the outsourcing of construction work on the office of one of the Company's subsidiaries, no personnel relationship exists between the companies, and there are no such relationships in which OBAYASHI CORPORATION can influence the management, setting of policies for financial strategy or other decision-making of the Company.
 3. The Company entered into an advisory contract with Mr. Shinichi Koizumi from April 2017 to June 2017, and received advice on compliance and other matters from him during this period. Based on the contract, the total amount of compensation paid by the Company to Mr. Koizumi was not in excess of ¥3 million, and since he meets the Independence Standards set by the Company, the Company believes that he is sufficiently independent as an Outside Corporate Auditor. There are no such relationships in which Mr. Koizumi can influence the Company's management or decisions etc., on policies regarding its financial strategies.
 4. In the event that Mr. Shinichi Koizumi is appointed as Corporate Auditor, the Company plans to execute a

liability limitation agreement with him in order to limit his liability under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 34, Paragraph 2 of the Company's Articles of Incorporation. The maximum amount of his liability will be the higher of ¥10 million or the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.

Proposal 5: Change of the Amount of Cash Compensation for Outside Directors

The fixed cash compensation to be paid to the Directors of the Company has been capped at ¥320 million (among which Outside Directors are capped at ¥20 million per year) since the approval in the 15th Ordinary General Meeting of Shareholders held on June 22, 2013. The Company plans to carry out measures with the objective of further strengthening corporate governance in a flexible and agile manner. It has already established discretionary committees, such as the Nomination Committee, comprised primarily of Outside Directors. Going forward, Outside Directors are expected to play a greater role. Accordingly, in order to receive even greater contribution than previously, and with the view of also increasing the number of Outside Directors, the Company hereby proposes to increase the cash compensation cap for Outside Directors to ¥60 million per year while the cap of ¥320 million for Directors remains unchanged.

Performance-linked compensation shall not be applied to Outside Directors. In addition, the number of current Outside Directors is two, and will be the same even after Proposal 3 (Appointment of Five (5) Directors) is approved.

If Proposal 5 is approved as proposed, the amount of fixed compensation for Directors will be changed as follows:

[Current amount of fixed compensation for Directors]

Not exceeding ¥320 million per year (of which the portion for Outside Directors shall not exceed ¥20 million per year)

[Proposed change]

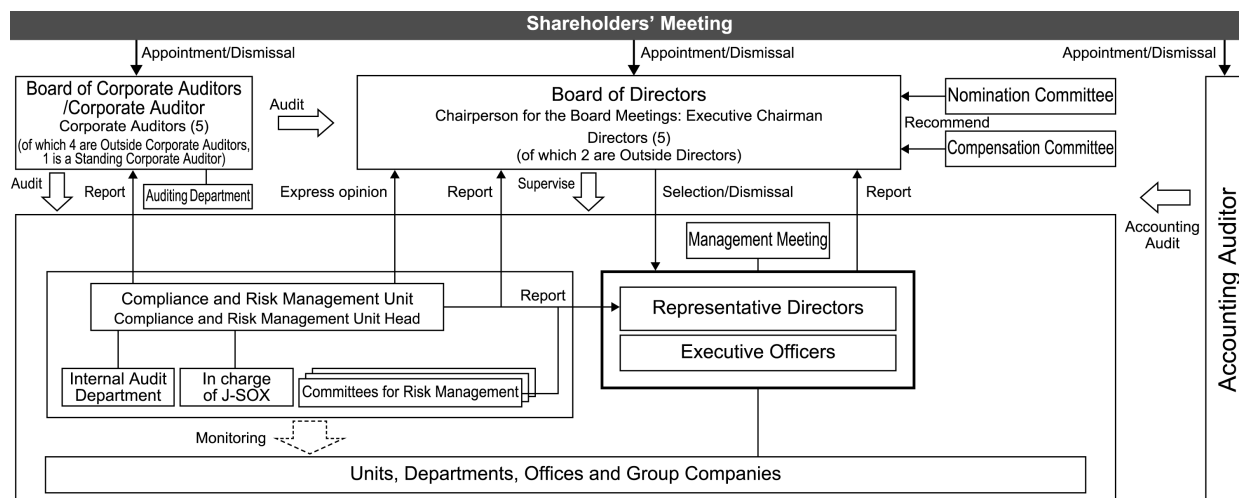
Not exceeding ¥320 million per year (of which the portion for Outside Directors shall not exceed ¥60 million per year)

*(revised portions are underlined)

(For reference)

Structure for Corporate Governance and Internal Control System

1. Outline



* The number of Directors and Corporate Auditors, as well as the Chairperson for the Board Meetings will be as shown on the organization chart assuming that the Proposals 2 through 4 above are approved at this Annual Meeting.

2. Nomination Committee and Compensation Committee

The Company has established a Nomination Committee and a Compensation Committee* as advisory bodies to its Board of Directors. Ensuring that Outside Directors appropriately participate in the nomination and compensation processes not only for Directors, but also executive officers and others who play an important role in the Company's business will ensure transparency and objectivity in management, and enhance the oversight function of the Board of Directors. Both these committees will be comprised of a majority of Outside Directors, and will be chaired by either of the Outside Directors. For the fiscal year ending March 2018, which is the first fiscal year for these committees, the two Outside Directors and the Executive Chairman will serve as committee members, and will deliberate and provide comments on the proposals regarding the appointment of Representative Directors and nomination of Executive Officers after this Annual Meeting.

*A compensation committee has been in place since 2014, and gives recommendations on the compensation of Inside Directors. The Company has decided to build upon that committee and expand its scope.

The Company has adopted and disclosed its detailed measures and policies regarding strengthening corporate governance and internal controls. (See the IR News and Investors page of the Company website: <http://dena.com/intl/investors/ir-news/> "Notice Regarding Strengthening Corporate Governance and Internal Controls" publicly released on May 23, 2017.)

Independence Standards for Independent Board Members

The Company judges independence of Outside Board Members in accordance with the following standards set forth by the Company itself in addition to the criteria defined by Tokyo Stock Exchange, Inc.:

- (1) the candidate is not, and has not been for the past three (3) years, an executive officer or employee of a business counterparty that is either:
 - a business counter party the aggregate amount of whose business transactions with the Company in the immediately preceding fiscal year exceeded 2% of the Company's consolidated sales; or
 - a business counterparty the aggregate amount of whose business transactions with the Company in the immediately preceding fiscal year exceeded 2% of the consolidated sales of such business counterparty;
- (2) if the candidate provides legal, accounting, consulting or other professional services to the Company, he/she does not receive remuneration from the Company (other than in the form of executive compensation) in excess of ¥10 million (or its equivalent) per year; and
- (3) the candidate is not a representative or employee of the Company's accounting auditor.