



Basic Policy on Internal Control System

Based on the Companies Act and the Financial Instruments and Exchange Act, we have established the following basic policy to establish and operate a system to ensure the appropriateness of the Company's business.

1. System to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

- (1) We recognize that compliance with laws, regulations, etc. is a prerequisite for all corporate activities. Therefore, we establish and disseminate thoroughly the "Compliance Manual" and "DVx Action Guidelines" as the principles for Directors and employees to follow while complying with laws, regulations, the Articles of Incorporation, internal rules and industry voluntary rules as well as a corporate philosophy, social norms and ethics as a businessperson.
- (2) The Risk and Compliance Committee assesses risks including compliance and dishonest deeds, and determines company-wide initiatives to establish and promote a compliance system.
- (3) To disseminate compliance, the Business Administration Division manages compliance initiatives across the company, and implements education and makes the initiatives well known.
- (4) To check whether employees have been properly performing their duties without violating laws and regulations, the Internal Audit Division conducts business audits, and reports the audit results to the Representative Director and the Board of Directors.
- (5) Based on the Internal Reporting Rules, we establish a system to report acts that violate laws and regulations and report unethical behavior, and promote its application.

(6) We will adopt a resolute stance and respond as an organization against antisocial forces that threaten social order and companies' sound activities.

2. System for storing and managing the information related to the execution of duties by Directors

We properly store and manage the records of decisions made at important meetings such as the Board of Directors, and important documents and information (including electromagnetic records) concerning the execution of duties by Directors in accordance with laws, regulations and the Information Security Rules.

3. Regulations and other systems for managing the risk of loss

Based on the risk management regulations, the Risk and Compliance Committee manages risks across the organization, taking the scale of growth of the Company, changes in the market, etc. into consideration.

4. System to ensure the efficient execution of duties by Directors

(1) We establish the Board of Directors regulations, regulations for official authority, and regulations for segregation of duties for proper and efficient execution of duties by Directors, and clarify the authority and responsibilities.

(2) The Board of Directors requests each Director and Executive Officer in charge to report on the progress of the annual plan and the medium-term management plan based on the plans, discusses issues that have arisen, and takes necessary measures.

(3) The Representative Director and the Directors and Executive Officers who supervise each department hold a management meeting regularly to deliberate essential management matters and issues related to the execution of duties.

5. System to ensure the appropriateness of the business of the Company and the corporate group consisting of our parent company and its subsidiaries

We do not establish a system because we do not have either a parent company or a subsidiary.

6. Matters concerning Directors and employees who should support the duties of the Audit and Supervisory Committee

The Audit and Supervisory Committee assigns standing Audit and Supervisory Committee Members to improve the effectiveness of their duties.

In addition, when the Audit and Supervisory Committee requests employees to be appointed to assist in the duties, we will assign employees for the assistance in consultation with the Audit and Supervisory Committee.

7. Matters related to the assurance of independence of the Directors and employees prescribed in the preceding paragraph from other Directors (excluding Directors who are Audit and Supervisory Committee Members) and the execution of instructions given by the Audit and Supervisory Committee to the Directors and employees

The consent of the Audit and Supervisory Committee is required for any personnel changes, evaluations, etc. of the employees who assist in the audit operations of the Audit and Supervisory Committee.

For the scope of the audit works, the employees perform their duties following the instructions of Audit and Supervisory Committee Members while being outside of the supervision of Directors (excluding Directors who are Audit and Supervisory Committee Members).

8. System for Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees to report to the Audit and Supervisory Committee

(1) Directors and employees shall immediately make a report to the Audit and Supervisory Committee in the following cases:

- When they discover a fact that could cause significant damage to the Company
- When they find a fraudulent activity related to the execution of duties by Directors
- When they identify an important matter that violates laws, regulations or the Articles of Incorporation

(2) In addition to (1) above, we have established a reporting system based on the Internal Reporting Rules. Directors and employees may report illegal acts, etc. to the Internal Audit Division or Outside Audit and Supervisory Committee Members.

(3) Directors report the execution status of their duties at the Board of Directors.

(4) Notwithstanding (1) to (3) above, the Audit and Supervisory Committee may request reports from Directors and employees as necessary.

9. System to ensure that the person who made the report as stated in the previous paragraph will not be treated unfavorably because of the report

We may not treat the person who made the report as stated in the previous paragraph unfavorably because of the report.

10. Matters related to the policy on the procedure for the advance payment and reimbursement of expenses incurred due to the execution of duties by the Audit and Supervisory Committee Members (limited to those related to the execution of duties for the Audit and Supervisory Committee) and the policy on the processing of other expenses and obligations incurred due to the execution of such duties

When an Audit and Supervisory Committee Member makes a claim for advance payment, reimbursement, etc. for the expense incurred due to the execution of his/her duties, the expense or obligation is processed unless it is judged that such expense/obligation is unnecessary for the execution of the duties of the Audit and Supervisory Committee Member.

11. Other systems to ensure that audits by the Audit and Supervisory Committee are executed effectively

- (1) The Audit and Supervisory Committee regularly exchanges opinions to deepen and share understanding on the challenges that the Representative Director and the Company should tackle as well as significant audit issues, etc.
- (2) The Audit and Supervisory Committee receives the reports on the internal audit results from the Internal Audit Division, and regularly exchanges opinions with the Internal Audit Division and the Accounting Auditor to maintain close cooperation.

12. System to ensure the appropriateness of financial reporting

To ensure the appropriateness of financial reporting, we effectively and appropriately operate the internal control reporting system based on the Financial Instruments and Exchange Act as well as related laws and regulations. In addition, we shall continuously implement reviews, evaluate operations and confirm effectiveness. If necessary, we will make improvements.