

NOTICE OF THE CONVOCAATION OF THE 25TH ANNUAL SHAREHOLDERS' MEETING

■ Date and Time:

Friday, June 19, 2020
2:00 p.m.

■ Venue:

Keidanren Kaikan
Conference Rooms #401-402
1-3-2 Otemachi, Chiyoda-ku, Tokyo

Shareholders unable to attend

Please review the reference documents and exercise your voting rights either by mailing the enclosed ballot, or via the Internet.

■ Contents

Convocation Notice	1
Reference Documents for the Annual Shareholders' Meeting	
<i>Matters to be resolved</i>	
Proposed Resolution 1	3
Appropriation of Surplus	
Proposed Resolution 2	4
Election of Two (2) Directors (excluding Directors who are Audit and Supervisory Board Members)	
Proposed Resolution 3	6
Election of Three (3) Directors who are Audit and Supervisory Board Members	
Proposed Resolution 4	8
Election of One (1) Substitute Director who is an Audit and Supervisory Board Member	

This unofficial document has been translated from a part of the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

Digital Arts Inc.
(Securities Code: 2326)

Dear Shareholders:

Toshio Dogu
Representative Director, President and Chief Executive Officer
Digital Arts Inc.
1-5-1 Otemachi Chiyoda-ku, Tokyo

NOTICE OF THE CONVOCAATION OF THE 25TH ANNUAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 25th Annual Shareholders' Meeting of Digital Arts Inc. (the "Company").

Recently, the Japanese Government and Prefectural Governors are requesting that residents restrict unnecessary outings to prevent the spread of COVID-19. In response to this situation, we have decided to hold the Annual Shareholders' Meeting after implementing appropriate infection control measures. We ask that, as much as possible, shareholders exercise their voting rights either by mailing the enclosed ballot, or via the Internet to prevent the spread of infection. In view of the requests for the restriction of unnecessary outings, we ask that shareholders refrain from coming on the day of the Annual Shareholders' Meeting regardless of health condition.

Regardless, the deadline for exercising voting rights is no later than 7 p.m. on Thursday, June 18, 2020 (JST).

<p>NOTES ON THE PREVENTION OF COVID- 19 INFECTION</p>	<p>As the safety of our shareholders is our top priority, we will increase the spacing between seats this year to prevent the spread of COVID-19. Accordingly, the number of seats available will be less than usual.</p> <p>We strongly ask that shareholders exercise their voting rights either by mailing the enclosed ballot, or via the Internet.</p> <p>In addition, we have decided to cancel the Results Briefing Session that was to be held after the Annual Shareholders' Meeting this year to prevent the spread of COVID-19. Based on these measures, we plan to host the Annual Shareholders' Meeting with a minimal system.</p> <p>We kindly ask for your understanding.</p>
--	--

1. Date and Time	Friday, June 19, 2020 at 2:00 p.m. (JST)
2. Venue	Keidanren Kaikan Conference Rooms #401-402 Located at 1-3-2 Otemachi, Chiyoda-ku, Tokyo
3. Agenda	<p>Matters to be Reported</p> <p>1. Business review and consolidated financial statements for FY2019 (April 1, 2019 – March 31, 2020) and report by the Accounting Auditor and the Audit & Supervisory Board on the audit results of the consolidated financial statements</p> <p>2. Nonconsolidated financial statements for FY2019 (April 1, 2019 – March 31, 2020)</p> <p>Matters to be Resolved</p> <p>Proposed Resolution 1: Appropriation of Surplus</p> <p>Proposed Resolution 2: Election of Two (2) Directors (excluding Directors who are Audit and Supervisory Board Members)</p> <p>Proposed Resolution 3: Election of Three (3) Directors who are Audit and Supervisory Board Members</p> <p>Proposed Resolution 4: Election of One (1) Substitute Director who is an Audit and Supervisory Board Member</p>

- ◎ Shareholders are requested to present the enclosed ballot at the reception desk upon arrival at the meeting.
- ◎ Please bring and wear a mask when attending the meeting. Operation staffs will hold the meeting with a mask after checking health condition, including temperature measurement.
- ◎ The temperature will be measured near the reception. If Shareholders feel unwell or have a fever, we may refuse admission and may ask for return.
- ◎ In order to prevent the spread of COVID-19 infection and to shorten the holding time, detailed explanations of the matters to be reported (including audit results) and the matters are omitted at this meeting. We ask shareholders to read the notice of the convocation in advance.
- ◎ In accordance with applicable laws and regulations and Incorporation, the following information in Japanese is posted on the Company's website (<https://www.daj.jp/ir/stock/meeting>) and is not presented in this Notice:
 - ① Notes to Consolidated Financial Statements of the consolidated financial statements
 - ② Notes to Non-consolidated Financial Statements of the non-consolidated financial statements
- ◎ Any updates to the reference materials for the Annual Shareholders' Meeting, business reports, consolidated financial statements, and non-consolidated financial statements will be posted in the Investor's Relation section of the Company's website (Japanese only).

Reference Documents for the Annual Shareholders' Meeting

Proposed Resolution 1

Appropriation of Surplus

The Company recognizes the return of profits to shareholders and sustainable stock price improvement as one of its most important management tasks. While the Company maintains internal reserves to enhance financial standings, expand existing businesses, and develop new businesses, the Company adopts the basic policy of delivering adequate and stable returns to shareholders, taking into consideration its operating performance.

Based on this policy, the year-end dividend per share for the fiscal year ended March 31, 2020 would be as follows:

Type of dividend property	Cash
Mattes relevant to dividend property and its total cash amount	25 yen per common stock of the Company Total cash amount is 350,423,950 yen
Effective distribution date of surplus	June 22, 2020

Election of Two (2) Directors (Excluding Directors who are Audit and Supervisory Board Members)

The term of office for all three (3) Directors (excluding Directors who are Audit and Supervisory Board Members) will expire at the conclusion of this Meeting. Hidenobu Akazawa resigns in September 30, 2019. For flexible decision makings, the Company asked for two (2) Directors to be appointed.

The Audit and Supervisory Board concludes that all candidates are qualified as Directors of the Company.

The candidates are as follows:

No.	Name		Current Position and Responsibilities at the Company	Board Meeting Attendance
1	Toshio Dogu	Re-election	Representative Director, President and Chief Executive Officer	100% (13/13)
2	Takuya Matsumoto	Re-election	Director, General Manager-Development	100% (13/13)

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of Company shares owned
1	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Re-election</div> Toshio Dogu (Feb 17, 1968)	Oct 1997 Representative Director, President & CEO, Digital Arts Inc. Oct 2003 General Manager- Corporate Planning Mar 2005 Director, IQS.Co.Ltd. Nov 2005 Representative Director, President & CEO, IQS.Co.Ltd. Dec 2006 Representative Director, President & CEO, DAM Corporation (incumbent) Apr 2011 Director, President & CEO, Digital Arts America, Inc. (incumbent) June 2012 Director, Digital Arts Investment, Inc. (incumbent) May 2013 Representative Director, President & CEO, Polkast Japan LLC Oct 2013 Representative Director, President & CEO, DA Corporation (incumbent) Oct 2013 Representative Director, President & CEO, DM Corporation (incumbent) Apr 2014 Director, President & CEO, FinalCode, Inc. Nov 2014 Representative Director, President & CEO, General Manager- Sales Apr 2015 Representative Director, President & CEO, General Manager- Sales, General Manager- FinalCode Business Nov 2015 Director, Digital Arts Asia Pacific Pte. Ltd. (incumbent) Apr 2016 Representative Director, President & CEO, General Manager- Sales Apr 2016 Representative Director, Chairman, Digital Arts Consulting Inc. (incumbent) Sep 2016 Director, Digital Arts Europe Limited (incumbent) Apr 2017 Representative Director, President & CEO, General Manager- Sales, General Manager- Marketing, General Manager- Corporate Planning Apr 2018 Representative Director, President & CEO, General Manager- Sales, General Manager- Marketing Oct 2019 Representative Director, President & CEO, General Manager- Sales, General Manager- Marketing, General Manager- Corporate Planning, General Manager- Administration Feb 2020 Representative Director, President & CEO (incumbent)	2,503,003 Shares
Reasons for selection as a candidate: Toshio Dogu is the founder and has been the CEO of the company and group companies for many years, and based on his extensive experience and knowledge, he has established a group strategy for business growth and the improvement of corporate performance, and has managed the entire group. He has achieved sufficient results in the above endeavors. In consideration of his extensive management knowledge, track record, ability, and other considerations, he was nominated as a candidate for Director.			
2	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Re-election</div> Takuya Matsumoto (Nov 4, 1976)	Apr 1999 Joins COMAS Co., Ltd. Apr 2003 Joins Digital Arts Inc., Development Apr 2014 Associate General Manager- Development Oct 2016 General Manager- Development June 2017 Director, General Manager-Development Dec 2017 Director, General Manager- Development, General Manager - New Product Development Apr 2018 Director, General Manager-Development (incumbent) Oct 2019 Director, Digital Arts Consulting Inc. (incumbent)	3,012 Shares
Reasons for selection as a candidate: As a developer, Takuya Matsumoto is highly insightful and has been involved in the production of many of our products over the years, leading to new product development, and accelerating the company's expansion and innovation. The candidate contributes to the improvement of corporate value of the entire group through his abundant experience and considerable achievements. As a candidate for the board of Directors, the company considers his overall high level of expertise and his advanced expertise related to his achievements.			

- (Note)
1. None of the above candidates have any special interest in the Company.
 2. The number of Company shares owned represents figures as of March 31, 2020.
 3. The number of Company shares owned includes equity shares owned by the shareholders' association made up of Directors.

Election of Three (3) Directors (Directors who are Audit and Supervisory Board Members)

The term of office for other three (3) Directors, Syuji Wakai, Hidekazu Kubokawa, and Masataka Uesugi, will terminate at the conclusion of this Meeting. Syuji Wakai resigns at the conclusion of this Meeting. Therefore, the Company requests that three (3) Directors (Directors on the Audit and Supervisory Board) be elected.

There is agreement from the Audit and Supervisory Board.

The candidates are as follows:

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of Company shares owned
1	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">New</div> <p style="margin: 5px 0;">Kiyoto Inomata (July 7, 1967)</p>	Apr 1995 Joins Tokyo Gas Co., Ltd. Jan 2003 HR Department (Management Training Dispatch to Digital Arts Inc.) July 2004 Is dispatched to Energy Advance Co., Ltd. (currently Tokyo Gas Engineering Solutions Corporation.) Nov 2005 Joins Digital Arts Inc., Corporate Planning Apr 2006 Assistant Manager-Development June 2007 Manager-Corporate Planning June 2008 Director, IQS.Co.Ltd. Apr 2011 Manager-Internal Audit, Digital Arts Inc. Apr 2015 Associate General Manager- Development, Manager-Quality Assurance Section (incumbent)	100 Shares
Reasons for selection as a candidate: Since Kiyoto Inomata has been in the Corporate Planning Department, the Development Department, and the Internal Audit Department for many years, he is familiar with the entire business of the Group and has a wealth of knowledge regarding the business. From his experience and achievements, we expect him to play a sufficient role in strengthening governance and auditing and supervising overall management. Therefore, he has been nominated as a candidate for Director.			

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of Company shares owned
2	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Re-election</div> Hidekazu Kubokawa (Feb. 20, 1953)	Nov 1976 Joins Central Accounting Office (currently PricewaterhouseCoopers Aarata LLC) July 1986 Director, Kubokawa Certified Public Accountant (currently Yotsuya Partner's Accounting Office) (incumbent) Feb 1989 Outside Auditor, SoftBank Corp. (currently SoftBank Group Corp.) (incumbent) Mar 2000 Outside Auditor, Digital Arts Inc., June 2005 Outside Auditor, Kyoritsu Printing Co., Ltd. (incumbent) June 2006 Outside Auditor, Pado Corporation (incumbent) June 2016 Outside Director (Audit and Supervisory Board Members), Digital Arts Inc., (incumbent)	3,357 Shares
Reasons for selection as a candidate: Hidekazu Kubokawa has specialized knowledge and experience cultivated as a certified public accountant and as a corporate auditor and director of multiple publicly traded companies. Based on that experience, we expect him to appropriately execute management and auditing duties for our management. Although he has no experience directly contributing to company management, we believe that he can appropriately fulfill his duties as an outside director.			
3	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Re-election</div> Masataka Uesugi (July 31, 1965)	Apr 1995 Joins Emori-Kawamori-Atsumi Law Office Apr 1999 Director, Uesugi Law Office Sep 2000 Partner Lawyer, Amrec Law and Accountant Office June 2003 Outside Auditor, Digital Arts Inc., Dec 2013 Outside Auditor, Ceres Inc. (incumbent) Dec 2014 Outside Auditor, Aiming Inc. (incumbent) Mar 2015 Senior Partner, Sakurada Dori Partners (Law Office) (incumbent) Mar 2016 Outside Director (Audit and Supervisory Board Members), Fullcast Holdings Co., Ltd. (incumbent) June 2016 Outside Director (Audit and Supervisory Board Members), Digital Arts Inc. (incumbent)	3,357 Shares
Reasons for selection as a candidate: Masataka Uesugi has specialized knowledge and experience cultivated as a legal adviser and as a corporate auditor and director of multiple publicly traded companies. Based on that experience, we expect him to appropriately execute management and auditing duties for our management. Although he has no experience directly contributing to company management, we believe that he can appropriately fulfill his duties as an outside director.			

- (Note)
1. These candidates have no special interest in the Company.
 2. Hidekazu Kubokawa and Masataka Uesugi are candidates for outside director.
 3. Based on the provisions of Article 427, Paragraph 1 of the Corporate Law, the Company has concluded a contract to limit the liability for damages under Article 423, Paragraph 1 of the Corporate Law, with outside directors. In the contract, the maximum liability limit is set as the minimum liability limit based on Article 425, Paragraph 1 of the Corporate Law. When Hidekazu Kubokawa and Masataka Uesugi are reelected by this meeting, we plan to continue these contracts for the Limitation of Liability. Also, after Kiyoto Inomata is approved as Director by this meeting, we plan to enter into these contracts.
 4. Hidekazu Kubokawa and Masataka Uesugi are currently directors and outside auditors of the Company but the period of their tenure will be four years at the conclusion of this Annual Shareholders' Meeting.
 5. Hidekazu Kubokawa was an outside corporate auditor of the Company from March 2000 until June 2016.
 6. Masataka Uesugi was an outside corporate auditor of the Company from June 2003 until June 2016.
 7. The Company has notified the Tokyo Stock Exchange Co., Ltd. of both Hidekazu Kubokawa and Masataka Uesugi as independent directors, and when they are appointed at this meeting, the Company will notify the Tokyo Stock Exchange Co., Ltd. Of both as independent officers.
 8. "Number of Company shares owned" Indicates the number of shares owned on March 31, 2020.
 9. "Number of Company shares owned" Includes equity shares owned by the shareholders' association made up of Directors.

Election of One (1) Substitute Director Who is an Audit and Supervisory Board Member

The appointment for Komei Sasaki, appointed to be a Substitute Director at the Annual Shareholders' Meeting held on June 24, 2019, will terminate prior to the commencement of this Meeting. In the event that the Company lacks the number of Audit and Supervisory Board Members required by laws and regulations, the Company hereby request that one (1) Substitute Audit and Supervisory Board Member be elected.

This resolution may be cancelled before the proposed Substitute Director who is an Audit and Supervisory Board Member assumes office by a resolution of the Board of Directors, subject to the approval of the Audit and Supervisory Board.

The submission of this proposal at this Meeting was approved by the Audit and Supervisory Board.

The candidate is as follows:

Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of the Company shares owned
<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 10px;">Re-election</div> <p style="text-align: center;">Komei Sasaki (Mar 15, 1966)</p>	Aug 1999 Partner Lawyer, Tokyo Ginza Law Office May 2003 Partner Lawyer, AMUREC Law Firm (currently Kasumigaseki Law & Accounting Offices) June 2004 Outside Auditor, TAKE AND GIVE. NEEDS Co., Ltd. Apr 2005 Director, Junior College Accreditation Association (currently Japan Association for College Accreditation) (incumbent) Mar 2015 Senior Partner, Sakurada Dori Partners (Law Office) (incumbent) June 2016 Outside Director, TAKE AND GIVE. NEEDS Co., Ltd. (incumbent)	-

- (Note)
1. This candidate has no special interest in the Company.
 2. Komei Sasaki is a candidate for a substitute outside director.
 3. The Company seeks Komei Sasaki's professional expertise as a legal advisor to be reflected in the Company's audit structure. He has not been involved in corporate management, other than being appointed as outside director, however for the above reason, the Company concluded that he can adequately perform his duties as outside director.
 4. Komei Sasaki's independence from the management of the Company as outside director:
 - 1) Komei Sasaki has not been a Director or taken a position to execute operations of the Company and its affiliates in the past five years.
 - 2) Komei Sasaki has no plans to receive large amounts of monetary payments or other financial assets (separate from the compensation paid for services as director or Audit and Supervisory Board member) from the Company, its subsidiaries, or its affiliates, and has not received such payments for the past two years.
 - 3) Komei Sasaki is not a spouse or a relative (within the three degrees) of an individual involved in the operation of the Company and its affiliates.
 5. When Komei Sasaki assumes office, in accordance with the Article 427, Paragraph 1 of the Corporate Law, the Company will enter into an agreement with Komei Sasaki to limit his liability, as stipulated in Article 423, Paragraph 1 of the Corporate Law. The limit of liability for damage compensation under this contract is limited to the minimum liability amount specified by Article 425, Paragraph 1 of the Corporate Law.
 6. Komei Sasaki meets the requirements for an independent director under the regulations of the Tokyo Stock Exchange Co., Ltd., and if he is appointed as an outside director at this meeting, the Company will notify the Tokyo Stock Exchange Co., Ltd. of his appointment as an independent officer.