

CONVOCAION NOTICE OF THE 22ND ANNUAL SHAREHOLDERS' MEETING

■ Date and Time:

Friday, June 23, 2017
10:00 a.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 by
mailing the enclosed ballot.

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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 translation.

Digital Arts Inc.
(Securities Code: 2326)

June 7, 2017

Dear Shareholders:

Toshio Dogu
Representative Director, President and Chief Executive Officer

Digital Arts Inc.
1-5-1 Otemachi Chiyoda-ku, Tokyo

CONVOCATION NOTICE OF THE 22ND ANNUAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 22nd Annual Shareholders' Meeting of Digital Arts Inc. (the "Company"). If you are unable to attend the Meeting, please review the Reference Documents for the Annual Shareholders' Meeting (described hereinafter) and exercise your voting rights in writing by submitting the enclosed ballot to arrive no later than 7 p.m. on Thursday, June 22, 2017 (JST).

| | |
|-------------------------|---|
| RESULTS BRIEFING | Following the close of the Annual Shareholders' Meeting, a Results Briefing Session will be held in the same venue as an opportunity for our shareholders to better understand the Company. |
|-------------------------|---|

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|--------------------------|--|
| 1. Date and Time | Friday, June 23, 2017 at 10:00 a.m. (JST) |
| 2. Venue | Keidanren Kaikan Conference Room #401-402 Located at 1-3-2 Otemachi, Chiyoda-ku, Tokyo |
| 3. Meeting Agenda | <p>Matters to be Reported</p> <p>1. Business review and consolidated financial statements for FY2016 (April 1, 2016 – March 31, 2017) and report by the Accounting Auditor and the Audit & Supervisory Committee on the audit results of the consolidated financial statements</p> <p>2. Nonconsolidated financial statements for FY2016 (April 1, 2016 – March 31, 2017)</p> <p>Matters to be Resolved</p> <p>Proposed Resolution 1: Appropriation of Surplus</p> <p>Proposed Resolution 2: Election of Four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)</p> <p>Proposed Resolution 3: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member</p> |

- ◎ Shareholders are requested to present the enclosed ballot at the reception desk upon arrival at the meeting.
- ◎ In accordance with applicable laws and regulations and Article 16 of the Articles of Incorporation, the following information in Japanese is posted on the Company's website (<http://www.daj.jp/ir/stock/meeting>) and are 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 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 a basic policy to deliver 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, 2017 would be as follows:

| | |
|--|---|
| Type of dividend property | Cash |
| Mattes relevant to dividend property and its total cash amount | Fourteen (14) yen per common stock of the Company Total cash amount is 193,505,550 yen |
| Effective date of distribution of surplus | June 26, 2017 |

Proposed Resolution 2**Election of Four (4) Directors
(Excluding Directors who are Audit and Supervisory Committee Members)**

The term of office for three (3) Directors, Toshio Dogu, Noriyuki Takahashi, and Hidenobu Akazawa, will terminate at the conclusion of this Meeting. In order to further enhance the management structure, the Company proposes to increase one (1) Director, and hereby requests that four (4) Directors (excluding Directors on the Audit & Supervisory Committee) be elected.

The Audit and Supervisory Committee concludes that all candidates are qualified as Director of the Company.

The candidates are as follows:

| No. | Name | | Current Position and Responsibilities at the Company | Board Meeting Attendance |
|-----|---------------------------|---------------|---|--------------------------|
| 1 | Toshio Dogu | Reelected | Representative Director, President and Chief Executive Officer General Manager, Sales General Manager, Marketing General Manager, Corporate Planning | 100% (13/13) |
| 2 | Noriyuki Takahashi | Reelected | General Manager, Research & Development | 85% (11/13) |
| 3 | Hidenobu Akazawa | Reelected | General Manager, Administration | 100% (13/13) |
| 4 | Takuya Matsumoto | Newly Elected | General Manager, Development | — |

| No. | Name (Date of Birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of the Company shares owned |
|-----|--|---|--|
| 1 | <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelected</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. (incumbent) Dec 2006 Representative Director, President & CEO, DAM Corporation (incumbent) Apr 2011 Director, President & CEO, Digital Arts America, Inc. (incumbent) Jun 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 Jan 2015 Director, FinalCode, Inc. (incumbent) Apr 2015 Representative Director, President & CEO, General Manager- Sales, General Manager- FinalCode Business Nov 2015 Director, Digital Arts Asia Pacific Pte. Ltd. (currently FinalCode 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, FinalCode Europe Limited (incumbent) Apr 2017 Representative Director, President & CEO, General Manager- Sales, General Manager- Marketing, General Manager- Corporate Planning (incumbent) | 3,007,256 shares |

Reasons for selection as a candidate:
 Toshio Dogu is the founder of the Company and based on considerable experience and insight as the corporate manager of its domestic and international Group companies over the years, he has demonstrated adequate track record by executing the Group's strategy for business growth, taking command of the Group's business, driving globalization, and executing plans for mid to long-term development. He was selected as a candidate based on his extensive insight on corporate management, achievements, and competence.

| No. | Name (Date of Birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of the Company shares owned |
|-----|---|---|--|
| 2 | <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelected</div> Noriyuki Takahashi (Nov 20, 1972) | Sep 1998 Joined Digital Arts Inc., Development Mar 2000 Director, General Manager- Development Jul 2000 Director, Senior General Manager- Development Nov 2005 Director, IQS' Co., Ltd. (incumbent) Nov 2006 Director, CTO Oct 2007 Director, CTO, General Manager- Development Oct 2008 Director, COO, General Manager- Development Apr 2012 Director, COO, Associate General Manager- R&D Jun 2012 Director, Digital Arts Investment, Inc. (incumbent) Oct 2012 Director, COO, General Manager- R&D Apr 2013 Director, CTO, General Manager- R&D May 2013 Senior Partner, LinkBlue LLC (incumbent) Apr 2014 Director, CTO, General Manager- Development Apr 2017 Director, General Manager- Research & Development (incumbent) | 463 shares |

Reasons for selection as a candidate:
 Noriyuki Takahashi has led the Development Department for many years since the startup of the Company and is familiar with the overall business of the Group. He has exhibited considerable insight towards management and contributes to enhance the corporate value of the Group with his rich experience and proven track record. He was selected as a candidate based on his extensive insight, achievements, competence, and professional expertise.

| No. | Name (Date of Birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of the Company shares owned |
|-----|---|---|--|
| 3 | <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelected</div> Hidenobu Akazawa (Sep 12, 1975) | Apr 1999 Joined Nippon Life Insurance Company Dec 2004 Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC) Jul 2014 Joined Digital Arts Inc., General Manager- Administration Jun 2015 Director, General Manager- Administration Nov 2015 Director, Digital Arts Asia Pacific Pte. Ltd. (currently FinalCode Asia Pacific Pte. Ltd.) (incumbent) Apr 2016 Director, Digital Arts Consulting Inc. (incumbent) Sep 2016 Director, FinalCode Europe Limited (incumbent) Jan 2017 Director, General Manager- Administration, General Manager - Corporate Planning Apr 2017 Director, General Manager- Administration (incumbent) Apr 2017 Director, FinalCode, Inc. (incumbent) | 243 shares |

Reasons for selection as a candidate:
 Hidenobu Akazawa, with considerable insight as a Certified Public Accountant, drives globalization of the Group as the head of the Administration Division and contributes to enhance the corporate value of the Group as a whole. He was selected as a candidate who can persistently enhance the value of the Company based on his management insight and professional expertise and achievements in the area of finance.

| No. | Name (Date of Birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of the Company shares owned |
|-----|--|---|--|
| 4 | <div style="border: 1px solid black; padding: 2px; display: inline-block;">Newly Elected</div> Takuya Matsumoto (Nov 4, 1976) | Apr 1999 Joined COMAS Co., Ltd. Apr 2003 Joined Digital Arts Inc., Development Apr 2014 Associate General Manager- Development Oct 2016 General Manager- Development (incumbent) | — |

Reasons for selection as a candidate:
 Takuya Matsumoto has been involved in the development of the Company products and have contributed to the growth and development of the Company by leading the development of new solutions. With extensive experience and achievement, he contributes to enhance the corporate value of the Group as a whole. He was selected as a candidate based on achievements, experience, and professional expertise.

- (Note)
1. None of the above candidates have any special interest in the Company.
 2. The number of the Company shares owned represent figures as of March 31, 2017.
 3. The number of the Company shares owned include equity share owned by the shareholders' association made up of Directors.

Proposed Resolution 3**Election of One (1) Substitute Director
Who is an Audit and Supervisory Committee Member**

The effect of appointment for Komei Sasaki, appointed as Substitute Director at the Annual Shareholders' Meeting held on June 24, 2016, will terminate prior to the commencement of this Meeting. In the event that the Company lacks the number of Audit & Supervisory Committee Members required by laws and regulations, the Company hereby request that one (1) Substitute Audit & Supervisory Committee Member be elected.

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

The submission of this proposal at this Meeting was approved by the Audit & Supervisory Committee.

The candidate is as follows:

| Name (Date of Birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of the Company shares owned |
|---|--|---------------------------------------|
| Komei Sasaki (Mar 15, 1966) | Aug 1999 Partner Attorney, Tokyo Ginza Law Office | - |
| | May 2003 Partner Attorney, AMUREC Law Firm (currently Kasumigaseki Law & Accounting Offices) | |
| | Jun 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 (incumbent) | |
| | Jun 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 in 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 & Supervisory Committee 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 third-degree) of an individual involved in operation of the Company and its affiliates.
 5. In accordance with the provisions of the Articles of Incorporation and Article 427, Paragraph 1 of the Corporation Law, the Company will enter into agreement with Komei Sasaki to limit his liability, as stipulated in Article 423, Paragraph 1 of the Corporation Law. The amount of limit of liability for damage compensation under such contract is limited to the minimum liability amount specified by Article 425, Paragraph 1 of the Corporation Law.