

# NOTICE OF THE CONVOCATION OF THE 26TH ANNUAL SHAREHOLDERS' MEETING

■ **Date and Time:**  
**Tuesday, June 22, 2021**  
**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  
either by mailing the enclosed ballot,  
or via the internet.

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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, 2021

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 26TH ANNUAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 26th Annual Shareholders' Meeting of Digital Arts Inc. (the "Company").

As the situation of concern about infection of COVID-19 continues, we ask that, as much as possible, shareholders exercise their voting rights either by mailing the enclosed ballot, or via the Internet.

Regardless, the deadline is no later than 7 p.m. on Monday, June 21, 2021 (JST).

|   |  |
|---|--|
| <p><b>NOTES ON THE PREVENTION<br/>OF COVID-19 INFECTION</b></p> | <p>Our responses to prevent the spread of COVID-19 are as follows:</p> <p>(1) To Our Shareholders</p> <ul style="list-style-type: none"> <li>-Where possible, please exercise your voting rights before the deadline and refrain from coming on the day of the Annual Shareholders' Meeting regardless of your health status.</li> <li>-We will increase spacing between seats. We therefore reserve the right to refuse admittance, depending on seating availability.</li> <li>-Shareholders attending the meeting must wear a mask. We may refuse to admit shareholders who are not wearing a mask.</li> <li>- Your temperature will be measured near the reception. We reserve the right to refuse to admit shareholders who are feeling unwell or have a fever.</li> </ul> <p>(2) Response at the Annual Shareholders' Meeting.</p> <ul style="list-style-type: none"> <li>-The proceedings of the Annual Shareholders' Meeting will be significantly shorter than usual.</li> <li>-We will cancel the Results Briefing Session that was to be held after the Annual Shareholders' Meeting.</li> <li>-There are no drinks and gifts prepared for shareholders who will attend the meeting.</li> <li>- Operation staff will be wearing a mask and will undergo a prior check of their health, including temperature measurement.</li> </ul> <p>We kindly ask for your understanding.</p> |
|---|--|

|                         |  |
|-------------------------|--|
| <b>1. Date and Time</b> | Tuesday, June 22, 2021 at 10:00 a.m. (JST)   |
| <b>2. Venue</b>         | Keidanren Kaikan Conference Rooms #401-402<br>Located at 1-3-2 Otemachi, Chiyoda-ku, Tokyo   |
| <b>3. Agenda</b>        | <p><b>Matters to be Reported</b></p> <p>1. Business review and Consolidated Financial Statements for FY2020 (April 1, 2020 – March 31, 2021) and report by the Accounting Auditor and the Audit &amp; Supervisory Committee on the audit results of the Consolidated Financial Statements</p> <p>2. Non-Consolidated Financial Statements for FY2020 (April 1, 2020 – March 31, 2021)</p> <p><b>Matters to be Resolved</b></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 One (1) Director who is an Audit and Supervisory Board Member</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.
- © 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

"Consolidated Financial Statements" and "Financial Statements" that the Audit and Supervisory Board Members have audited to prepare the audit report and the Accounting Auditor has audited to prepare the accounting audit report include the matters to be displayed as consolidated financial statements and non-consolidated financial statements in addition to the description in this document.
- © Any updates to the reference materials for the Annual Shareholders' Meeting, business reports, financial statements, and 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 its financial standing, 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, 2021 would be as follows:

|   |  |
|---|--|
| Type of dividend property                                       | Cash   |
| Matters relevant to dividend property and its total cash amount | 30 yen per common stock of the Company<br>Total cash amount is 420,856,140 yen |
| Effective date of distribution of surplus                       | June 23, 2021  |

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

The terms of office for all two (2) Directors (excluding Directors who are Audit and Supervisory Board Members) will expire at the conclusion of this Meeting. Therefore, the Company asked for two (2) Directors to be appointed.

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

The candidates are as follows:

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

| No.  | Name<br>(Date of Birth)  | Past experience, positions, responsibilities<br>and significant concurrent positions   | Number of the<br>Company shares<br>owned |
|--|--|--|--|
| <b>1</b>   | <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Re-election</div> <p><b>Toshio<br/>Dogu</b><br/>(Feb 17, 1968)</p> | <p>Oct 1997 Representative Director, President &amp; CEO, Digital Arts Inc.<br/> Oct 2003 General Manager- Corporate Planning<br/> Mar 2005 Director, IQS. Co. Ltd.<br/> Nov 2005 Representative Director, President &amp; CEO, IQS. Co. Ltd.<br/> Dec 2006 Representative Director, President &amp; CEO, DAM Corporation (incumbent)<br/> Apr 2011 Director, President &amp; CEO, Digital Arts America, Inc. (incumbent)<br/> June 2012 Director, Digital Arts Investment, Inc.<br/> May 2013 Representative Director, President &amp; CEO, Polkast Japan LLC<br/> Oct 2013 Representative Director, President &amp; CEO, DA Corporation (incumbent)<br/> Oct 2013 Representative Director, President &amp; CEO, DM Corporation (incumbent)<br/> Apr 2014 Director, President &amp; CEO, FinalCode, Inc.<br/> Nov 2014 Representative Director, President &amp; CEO, General Manager- Sales<br/> Apr 2015 Representative Director, President &amp; CEO, General Manager- Sales,<br/> General Manager- FinalCode Business<br/> Nov 2015 Director, Digital Arts Asia Pacific Pte. Ltd. (incumbent)<br/> Apr 2016 Representative Director, President &amp; CEO, General Manager- Sales<br/> Apr 2016 Representative Director, Chairman, Digital Arts Consulting Inc. (incumbent)<br/> Sep 2016 Director, Digital Arts Europe Limited (incumbent)<br/> Apr 2017 Representative Director, President &amp; CEO, General Manager-Sales, General<br/> Manager-Marketing, General Manager-Corporate Planning<br/> Apr 2018 Representative Director, President &amp; CEO, General Manager-Sales, General<br/> Manager-Marketing<br/> Oct 2019 Representative Director, President &amp; CEO, General Manager-Sales, General<br/> Manager-Marketing, General Manager-Corporate Planning, General<br/> Manager-Administration<br/> Feb 2020 Representative Director, President &amp; CEO (incumbent)</p> | 2,403,063<br>Shares                      |
| <p>Reasons for selection as a candidate:<br/> 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 significant 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.</p> |  |  |  |

| No.   | Name<br>(Date of Birth)  | Past experience, positions, responsibilities<br>and significant concurrent positions   | Number of the<br>Company shares<br>owned |
|---|--|--|--|
| 2   | <div style="border: 1px solid black; padding: 2px; display: inline-block;">Re-election</div><br><b>Takuya<br/>Matsumoto</b><br>(Nov 4, 1976) | Apr 1999 Joined COMAS Co., Ltd<br>Apr 2003 Joined Digital Arts Inc., Development<br>Apr 2014 Associate General Manager-Development<br>Oct 2016 General Manager-Development<br>June 2017 Director, General Manager-Development<br>Dec 2017 Director, General Manager-Development,<br>General Manager-New Product Development<br>Apr 2018 Director, General Manager-Development (incumbent)<br>Oct 2019 Director, Digital Arts Consulting Inc. (incumbent) | 3,042<br>Shares                          |
| Reasons for selection as a candidate:<br>As a developer, Takuya Matsumoto has extensive insights and has been involved in the production of many of our products over the years, leading to new product development, and promoting the Company's expansion and innovation. The candidate contributes to improving the corporate value of the entire group through his abundant experience and considerable achievements. Based on his overall high level of expertise and his advanced expertise related to his achievements, he was judged to be an appropriate person to promote the sustainable growth of the Group and the enhancement of corporate value, and was nominated as a candidate for Director. |  |  |  |

- (Note)
1. None of the above candidates have any special interest in the Company.
  2. The number of the Company shares owned represents figures as of March 31, 2021.
  3. The number of the Company shares owned include equity share owned by the Shareholders' Association made up of Directors.

## Election of One (1) Director (Director who is an Audit and Supervisory Board Member)

To strengthen the auditing system, the Company hereby request that one (1) Audit and Supervisory Board Member be elected.

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

The candidate is as follows:

| Name<br>(Date of Birth)  | Past experience, positions, responsibilities<br>and significant concurrent positions   | Number of the Company<br>shares owned |
|--|--|---------------------------------------|
| <div style="border: 1px solid black; padding: 2px; display: inline-block;">New</div><br><b>Chise<br/>Kuwayama</b><br>(May 2, 1971) | Apr 1995 Joins Dai-ichi Mutual Life Insurance Co. (currently The Dai-ichi Life Insurance Co., Ltd)<br>Nov 2004 Joins Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)<br>Aug 2008 Register Certified Accountant<br>Mar 2015 Outside Standing Audit and Supervisory Board Member, Ceres Inc.<br>Mar 2021 Outside Director (Full-time Audit and Supervisory Board Member), Ceres Inc. (incumbent) | —                                     |

Reasons for selection as a candidate and expected role:

Chise Kuwayama has no experience of being directly involved in company management other than serving as an outside officer in the past, but as a certified accountant, she has expertise in financial and accounting knowledge. Based on that knowledge, she supervises management from a practical and multifaceted perspective, and the Company expects that she will contribute to the further strengthening of the Company's governance system from an independent standpoint. The expected role of Ms. Kuwayama, when she is appointed as an Outside Director, is to provide advice for promoting the sustainable growth of the Company and improving corporate value over the medium to long term based on her own knowledge of management policies and strategies.

- (Note)
1. This candidate has no special interest in the Company.
  2. Chise Kuwayama is a candidate 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 an Outside Director. 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 Chise Kuwayama is elected by this meeting, we plan to continue these contracts for the Limitation of Liability.
  4. Chise Kuwayama meets the requirements for an independent director under the regulations of the Tokyo Stock Exchange Co., Ltd., and if she is appointed as an Outside Director at this meeting, the Company will notify the Tokyo Stock Exchange Co., Ltd. of her appointment as an independent officer.



## Election of One (1) Substitute Director (Directors who is an Audit and Supervisory Board Member)

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

Reasons for selection as a candidate and expected role:

Komei Sasaki has no experience of being directly involved in company management other than serving as an outside officer in the past. However, based on his extensive expertise and insight cultivated as a lawyer, we have determined that he can provide advice on appropriate supervision of the Group's management and business execution from a practical and multifaceted perspective. The expected role of Mr. Sasaki, when he becomes an Outside Director, is to properly perform the duties that are to point out management policies and strategies, provide advice, participate in important decisions, and oversee business execution based on his extensive insight and expertise as a lawyer.

- (Note)
1. This candidate has no special interest in the Company.
  2. Komei Sasaki is a candidate for a substitute Outside Director.
  3. 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 ten 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.
  4. 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.
  5. 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.