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Securities Code: 4819

June 4, 2018

To Our Shareholders:

Kaoru Hayashi, Representative Director
Digital Garage, Inc.
3-5-7 Ebisu Minami, Shibuya-ku, Tokyo

Notice of the 23rd Ordinary Shareholders' General Meeting

You are cordially invited to attend the 23rd Ordinary Shareholders' General Meeting of Digital Garage, Inc. (the "Company"), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either of the following methods. Please review the attached Reference Documents for the Shareholders' General Meeting and exercise your voting rights.

[Exercising your voting rights in writing]

Please indicate your approval or disapproval for each proposal on the enclosed voting card, and post it so as to arrive no later than 6:30 p.m. on Thursday, June 21, 2018 (JST).

[Exercising your voting rights on the Internet]

Please access to the Website for Exercising Voting Rights designated by the Company (<https://www.web54.net/>) and enter your approval or disapproval for each proposal to exercise your voting rights by no later than 6:30 p.m. on Thursday, June 21, 2018 (JST).

1. **Date and Time:** Friday, June 22, 2018, at 10:00 a.m.
Please note that the meeting will be held at a different time this year.
2. **Venue:** Tower Hall, Roppongi Forum, Academy Hills, Roppongi Hills Mori Tower 49F
6-10-1 Roppongi, Minato-ku, Tokyo
Please note that the meeting will be held at a different venue this year.

3. Purpose of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 23rd fiscal year (from April 1, 2017 to March 31, 2018), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 23rd fiscal year (from April 1, 2017 to March 31, 2018)

Matters to be resolved

Proposal No. 1: Dividends of Surplus

Proposal No. 2: Election of Nine (9) Directors who are not Audit and Supervisory Committee Members

Proposal No. 3: Election of Four (4) Directors who are Audit and Supervisory Committee Members

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1. If any changes are made to items in the reference documents for the shareholders' general meeting and the business report, or to non-consolidated financial statements and consolidated financial statements, such changes will be posted on the Company's website (<http://www.garage.co.jp/ja/ir/>).
 2. When you attend the meeting, you are kindly requested to present the enclosed voting card at the reception.

Reference Documents for the Shareholders' General Meeting

Proposals and Reference Information

Proposal No. 1: Dividends of Surplus

The Company views shareholder returns as one of its principal management concerns. Decisions about dividends are based on considerations of factors such as financial condition, business performance outlook and future funding needs.

The Company plans to use internal reserves to further reinforce its financial position and to effectively expand its business in the future through investment, business alliances and other means.

The Company, taking into account factors such as operating results for the fiscal year under review and future business development, proposes to pay dividends of surplus (year-end dividends) for the 23rd fiscal year as follows:

Year-end dividends

Type of dividend property:	Cash
Allotment of dividend property and aggregate amount thereof:	¥24 per common share of the Company ¥1,132,535,496 in total
Effective date of dividends of surplus:	Monday, June 25, 2018

Proposal No. 2: Election of Nine (9) Directors who are not Audit and Supervisory Committee Members

At the conclusion of this meeting, the terms of office of all nine (9) Directors who are not Audit and Supervisory Committee Members of the Company will expire. At this juncture, the Company proposes to elect nine (9) Directors who are not Audit and Supervisory Committee Members.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

Candidate No.	Name (Date of Birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)
1 Reelection	Kaoru Hayashi (December 26, 1959) Number of the Company's Shares Owned: 6,812,200 shares	Apr. 1983 Representative Director, From Garage, Inc.
		June 1988 Representative Director, Studio Garage, Inc.
		Aug. 1995 Founded the Company Representative Director, the Company
		Dec. 1996 Representative Director, K Garage, Inc. (now Representative Partner, K Garage, G.K.) (current position)
		Feb. 2003 Representative Director, Creative Garage, Inc.
		June 2003 Chairman and Director, Kakaku.com, Inc. (current position)
		Sept. 2004 Representative Director and Chairman, Ibex & rims, Inc.
		Nov. 2004 Representative Director, President and Group CEO, the Company
		June 2011 Director and Chairman, DG Communications Co., Ltd. (current position)
		June 2012 Director, Monex Group, Inc.
		Apr. 2013 Director, NaviPlus Co., Ltd. (current position)
		Aug. 2013 Director, Dentsu ScienceJam Inc. (current position)
		Oct. 2013 Director and Chairman, VeriTrans Inc. (current position)
		Oct. 2013 Director and Chairman, ECONTEXT, INC. (current position)
		Nov. 2013 Director, New Context Services, Inc.
		Oct. 2015 Director President & Chairman, econtext Asia Limited (current position)
		June 2016 Director, Credit Saison Co., Ltd. (current position)
		July 2016 Director Chairman & CEO, Digital Garage US, Inc. (current position)
		July 2016 Director, DG Daiwa Ventures, Inc. (current position)
		Sept. 2016 Director, DG Technologies, Inc. (current position)
Sept. 2016 Representative Director, Chairman and CEO, BI. Garage, Inc. (current position)		
Sept. 2016 Representative Director, President Executive Officer and Group CEO, the Company (current position)		
May 2017 Representative Director, Chairman and President, DG Incubation, Inc. (current position)		
<p>Reason for the nomination as candidate for Director Having paid particular attention to the potential of the Internet service in Japan from its predawn era, Kaoru Hayashi, as founding business manager of the Company, has created new Internet businesses since founding the Company in 1995. In addition, he has driven the Group business management and contributed to expansion of the business, leveraging his wealth of insights about overall Internet business. The Company therefore expects him to continue appropriately overseeing business operation of the Company and driving its medium- to long-term growth strategy, and nominated him as a candidate for Director.</p>		

Candidate No.	Name (Date of Birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)
2 Reelection	Makoto Soda (June 30, 1963) Number of the Company's Shares Owned: 11,600 shares	<p>Apr. 1986 Joined Universal Securities Co., Ltd. (now Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>June 1994 Joined Dresdner Kleinwort Benson Securities, Ltd.</p> <p>June 1997 Joined Daiwa Institute of Research Ltd.</p> <p>Apr. 2000 Joined Monex Securities Inc.</p> <p>Mar. 2007 Joined the Company Executive Officer, in charge of the Corporate Strategy Division, the Company</p> <p>Oct. 2008 Senior Operating Officer, the Company</p> <p>June 2009 Director, DG Incubation, Inc. (current position)</p> <p>Sept. 2009 Director, Head of Group CEO Office, the Company</p> <p>July 2011 Director, Head of Corporate Strategy Division, the Company</p> <p>Jan. 2012 Director, in charge of the Corporate Strategy Division, the Company</p> <p>June 2012 Director, VeriTrans Inc.</p> <p>Aug. 2012 CFO, Digital Garage US, Inc.</p> <p>Sept. 2016 Director, Senior Executive Officer, in charge of the Corporate Strategy Division, and in charge of the Media Incubation Segment, the Company</p> <p>June 2017 Director, econtext Asia Limited (current position)</p> <p>Apr. 2018 Director, Senior Executive Officer, in charge of the Corporate Strategy Division, Head of Corporate Strategy Department, and in charge of the Long-term Incubation Segment, the Company (current position)</p>
<p>Reason for the nomination as candidate for Director Since joining the Company, Makoto Soda has been engaged in primarily corporate planning, finance, and investor relations, in his capacities as Director in charge of the Corporate Strategy Division and directors of the Group companies. In addition, he has contributed to strengthening of the financial base and expansion of the Group through M&As by reflecting his wealth of experience and expertise in overall business management and financial matters. The Company therefore expects him to continue appropriately overseeing business operation of the Company and driving its medium- to long-term growth strategy, and nominated him as a candidate for Director.</p>		

Candidate No.	Name (Date of Birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	
<p style="text-align: center;">3 Reelection</p>	<p style="text-align: center;">Keizo Odori (May 10, 1970)</p> <p style="text-align: center;">Number of the Company's Shares Owned: 11,000 shares</p>	<p>Apr. 2000 Joined Faith, Inc.</p> <p>June 2005 Director, Faith, Inc.</p> <p>Mar. 2006 Representative Director and President, GIGA NETWORKS, INC. (now Faith Wonderworks, Inc.)</p> <p>Aug. 2010 Adviser, the Company</p> <p>Aug. 2010 Representative Director and President, DG Mobile, Inc.</p> <p>Sept. 2010 Director, the Company</p> <p>Apr. 2012 Director, VeriTrans Inc. (current position)</p> <p>Apr. 2012 Director, NaviPlus Co., Ltd. (current position)</p> <p>Sept. 2012 Director, in charge of the Payment Segment (now the Financial Technology Segment), the Company</p> <p>Sept. 2012 Director, econtext Asia Limited (current position)</p> <p>Oct. 2013 Representative Director and President, Econtext, Inc. (current position)</p> <p>Sept. 2015 Director, DG Incubation, Inc. (current position)</p> <p>Oct. 2015 Director, iRidge, Inc. (current position)</p> <p>July 2016 Representative Director, DG Daiwa Ventures, Inc. (current position)</p> <p>Aug. 2016 Representative Director and President, DK Media, Inc. (current position)</p> <p>Sept. 2016 Director, DG Technologies, Inc. (current position)</p> <p>Sept. 2016 Director, Senior Executive Officer, in charge of the Financial Technology Segment, the Company</p> <p>June 2017 Representative Director and President, DK Gate, Inc. (current position)</p> <p>May 2018 Director, Senior Executive Officer, in charge of the Financial Technology Segment and Head of Media Development Office, the Company (current position)</p>	
		<p>Reason for the nomination as candidate for Director</p> <p>Since joining the Company, Keizo Odori has been engaged primarily in the online settlement business, in his capacities as Director in charge of the Financial Technology Segment and directors of the Group companies. In addition, he has contributed to growth of the business by strengthening the revenue base, managing the operation and implementing reorganization, by reflecting his wealth of experience in operational management. The Company therefore expects him to continue appropriately overseeing business operation of the Company and driving its medium- to long-term growth strategy, and nominated him as a candidate for Director.</p>	

Candidate No.	Name (Date of Birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)
4 Reelection	Masashi Tanaka (October 27, 1975) Number of the Company's Shares Owned: 18,300 shares	Apr. 1998 Joined Nippon Information and Communication Corporation
		Aug. 2001 Joined the Company
		July 2006 Director, DG&Ibex Company
		Oct. 2008 Senior Operating Officer, Executive Vice President of DG&Ibex Company, a member of the Group CEO Office, and Director of econtext Company, the Company
		Jan. 2011 Senior Operating Officer, Head of Hybrid Solution Planning Office, Executive Vice President of DG&Ibex Company, and Executive Vice President of econtext Company, the Company
		Apr. 2012 Director, VeriTrans Inc.
		Apr. 2012 Director, NaviPlus Co., Ltd.
		Sept. 2012 Director, Head of Corporate Strategy Division and Executive Vice President of DG&Ibex Company, the Company
		June 2014 Director, Head of Corporate Strategy Division, Head of General Affairs & Personnel Department, and Executive Vice President of DG&Ibex Company, the Company
		July 2015 Director, Head of Corporate Strategy Division, Head of General Affairs Department, in charge of the Media Incubation Segment, and Executive Vice President of Marketing Technology Company, the Company
		July 2016 Director, in charge of DG Lab, Head of Corporate Strategy Division, Head of General Affairs Department, and in charge of the Media Incubation Segment, the Company
		July 2016 Director President, Digital Garage US, Inc. (current position)
		Sept. 2016 Representative Director, DG Technologies, Inc. (current position)
		Sept. 2016 Director, Senior Executive Officer, in charge of DG Lab, Head of Corporate Strategy Division, and Head of General Affairs Department, the Company
		Apr. 2017 Director, Senior Executive Officer, in charge of DG Lab, in charge of the Incubation Technology Segment, and Head of Corporate Strategy Division, the Company
May 2017 Director, Vice President and COO, DG Incubation, Inc. (current position)		
June 2017 Director, DK Gate, Inc. (current position)		
June 2017 Director, Senior Executive Officer, in charge of DG Lab and in charge of the Incubation Technology Segment, the Company		
May 2018 Director, Senior Executive Officer, in charge of DG Lab, in charge of the Incubation Technology Segment, and in charge of the Group CEO Division, the Company (current position)		
<p>Reason for the nomination as candidate for Director Since joining the Company, Masashi Tanaka has been engaged primarily in the marketing business and business administration of the overall Group, in his capacities as directors of the Group companies and Head of Corporate Strategy Division. In addition, he has contributed to business expansion of the Group and efficiency improvement of the business management based on his in-depth understanding on the overall Group business operation. The Company therefore expects him to continue appropriately overseeing business operation of the Company and driving its medium- to long-term growth strategy, and nominated him as a candidate for Director.</p>		

Candidate No.	Name (Date of Birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)
5 Reelection	<p style="text-align: center;">Hideo Edasawa (January 1, 1962)</p> <p style="text-align: center;">Number of the Company's Shares Owned: 75,500 shares</p>	<p>Apr. 1984 Joined Recruit Co., Ltd. (now Recruit Holdings Co., Ltd.)</p> <p>Oct. 1999 Joined the Company</p> <p>Sept. 2002 Director, the Company</p> <p>Jan. 2003 Director and Vice President, ALC PRESS INC.</p> <p>Sept. 2004 Auditor, Ibex&rims, Inc.</p> <p>Oct. 2004 Auditor, Creative Garage, Inc.</p> <p>Jan. 2006 Representative Director, DG Asset Management Inc.</p> <p>June 2009 President, DG Communications Co., Ltd.</p> <p>May 2017 Joined the Company Executive Officer, responsible for the Marketing Technology Segment, President of Marketing Technology Company, Chairman of Business Design Company, and responsible for the Asset Management, Group CEO Office</p> <p>June 2017 Director, Senior Executive Officer, in charge of the Marketing Technology Segment, President of Marketing Technology Company, Chairman of Business Design Company, and responsible for the Asset Management, Group CEO Office, the Company</p> <p>May 2018 Director, Senior Executive Officer, in charge of Marketing Technology Segment, President of Marketing Technology Company, and Chairman of Business Design Company, the Company (current position)</p>
<p>Reason for the nomination as candidate for Director</p> <p>Hideo Edasawa, in addition to his experience engaging in business administration in his capacities as Director of the Company and as directors of the Group companies, has engaged primarily in managing the marketing business with a focus on real estate domain. The Company therefore expects him, utilizing his experience up to this point, to appropriately oversee business operation of the Company and drive the medium- to long-term growth strategy for the marketing technology business, and nominated him as a candidate for Director.</p>		

Candidate No.	Name (Date of Birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)
6 Reelection	Joichi Ito (June 19, 1966) Number of the Company's Shares Owned: 20,000 shares	Apr. 1994 Representative Director, Ecosys Ltd.
		Aug. 1995 Founded the Company Representative Director, the Company
		June 1999 Director, the Company
		June 1999 Representative Director and Chairman, Infoseek Corporation
		Dec. 1999 Representative Director and President, Neoteny Co., Ltd.
		Sept. 2000 Representative Director, Cura Co., Ltd.
		June 2002 Director, PIA Corporation
		Dec. 2004 Adviser, the Company
		Jan. 2005 Director, Technorati Japan, Inc.
		Nov. 2005 Director, Mozilla Japan, a Middle-natured Corporation with the Limited Liability
		Aug. 2006 Director, CGM Marketing, Inc. (now BI. Garage, Inc.) (current position)
		Sept. 2006 Director, the Company (current position)
		June 2009 Director, Culture Convenience Club Co., Ltd. (current position)
		Apr. 2011 Director, Massachusetts Institute of Technology (MIT) Media Lab (current position)
		July 2011 Director, Digital Garage US, Inc.
June 2012 Director, The New York Times Company (current position)		
June 2013 Director, Sony Corporation		
<p>Reason for the nomination as candidate for Director Joichi Ito has been engaged in a number of Internet businesses, leading penetration of Internet in Japan and co-founding the Company. He has also contributed to business expansion of the Group by leveraging his broad experience in Internet company management and engagement as venture capitalist. The Company therefore expects him to continue appropriately overseeing business operation of the Company and driving its medium- to long-term growth strategy, and nominated him as a candidate for Director.</p>		
7 Reelection	Kenji Fujiwara (September 25, 1946) Number of the Company's Shares Owned: 21,800 shares	Apr. 1969 Joined Shufu-no-mise Daiei, Inc. (now The Daiei, Inc.)
		May 1993 Director, Shufu-no-mise Daiei, Inc.
		June 1994 Representative Director & President, Daiei Convenience Systems, Co. Ltd. (now Lawson, Inc.)
		May 2000 Director, President & Chairman, former Econtext, Inc.
		May 2002 Chairman and Representative Director, Daiei Convenience Systems Co., Ltd. (now Lawson, Inc.)
		June 2003 President, Representative Director, FANCL CORPORATION
		Mar. 2007 Chairman, Representative Director, FANCL CORPORATION
		Jan. 2008 Director and Chairman, ThreeWin Co. Ltd.
		July 2008 Director, SBS Corporation
		Sept. 2008 Outside Director, the Company (current position)
		June 2009 Director, Kakaku.com, Inc. (current position)
June 2015 Outside Director, SUNDRUG CO. LTD. (current position)		
<p>Reason for the nomination as candidate for Outside Director Kenji Fujiwara has experience as business manager gained through the positions as President and Chairman of Daiei Convenience Systems, Co. Ltd. (now Lawson, Inc.) and other important posts at listed companies. As Outside Director of the Company, he has provided us with valuable opinions and suggestions concerning business management of the Company from a holistic perspective based on his wealth of experience as business manager. The Company therefore expects him to continue contributing to appropriate oversight of business operation of the Company, and nominated him as a candidate for Outside Director who is not an Audit and Supervisory Committee Member.</p>		

Candidate No.	Name (Date of Birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)
8 Reelection	Emi Omura (September 2, 1976) Number of the Company's Shares Owned: – shares	Oct. 2002 Admitted to practice law in Japan (Tokyo Bar Association)
		July 2008 Partner, Athena Law Office (current position)
		Mar. 2009 Temporary Employee, the Office of International Affairs, Japan Federation of Bar Associations
		Sept. 2010 Associate Expert, International Labour Office in Geneva, the International Labour Organization (ILO)
		Oct. 2013 Deputy Director, the Office of International Affairs, Japan Federation of Bar Associations
		Jan. 2014 Director, the Office of International Affairs, Japan Federation of Bar Associations
		Sept. 2014 Outside Director, the Company (current position)
		Reason for the nomination as candidate for Outside Director Although Emi Omura has not been involved in corporate management other than having served as an outside officer, she has experience in global work environment through her post at an international institution in addition to her wealth of experience and expertise as attorney-at-law. As Outside Director of the Company, she has provided us with valuable opinions and suggestions concerning business management of the Company from a broader perspective. The Company therefore expects her to continue contributing to appropriate oversight of business operation of the Company, and nominated her as a candidate for Outside Director who is not an Audit and Supervisory Committee Member.
9 New election	Masahito Okuma (Oct. 24, 1975) Number of the Company's Shares Owned: 3,300 shares	Apr. 1999 Joined Mitsubishi Corporation
		Mar. 2011 Joined FAST RETAILING CO., LTD.
		Dec. 2015 Vice President, UNIQLO USA LLC
		Nov. 2016 Joined the Company
		Apr. 2017 Executive Officer and COO of DG Lab, the Company
		May 2017 Director, DG Incubation, Inc. (current position)
		Dec. 2017 Director COO, Digital Garage US, Inc. (current position)
		Apr. 2018 Executive Officer and COO of DG Lab, the Company
		May 2018 Executive Officer, COO of DG Lab, Head of Group CEO Division, and Head of Business Innovation Department, Group CEO Division, the Company (current position)
		Reason for the nomination as candidate for Outside Director Masahito Okuma joined the Company after working at a major general trading company and a major apparel maker. Since then, taking advantage of his previous experience at business corporations, he has put effort into not only the development of next-generation business but also global alliances, mainly while serving as the COO of DG Lab, an R&D organization. The Company therefore believes that he will promote the appropriate supervision of its business operations, the development of new business, and global alliances, and that he will contribute to improving value over the medium- to long-term. Accordingly, the Company nominated him as a candidate for Director.

*1 Candidate for Director Kaoru Hayashi serves concurrently as Representative Director, Chairman and CEO, of BI. Garage, Inc., which is a subsidiary of the Company. The Company has a business relationship with BI. Garage, Inc. concerning (i) outsourcing service for administrative work of BI. Garage, Inc., (ii) office leasing, (iii) office equipment leasing at BI. Garage, Inc., (iv) secondment of the Company's employees to BI. Garage, Inc., (v) business transactions.

*2 Candidate for Director Keizo Odori serves concurrently as Representative Director of DG Daiwa Ventures, Inc., which is an affiliate of the Company. The Company has a business relationship with DG Daiwa Ventures, Inc. concerning (i) outsourcing service for administrative work of DG Daiwa Ventures, Inc., (ii) office leasing, (iii) office equipment leasing at DG Daiwa Ventures, Inc., (iv) secondment of the Company's employees to DG Daiwa Ventures, Inc.

Keizo Odori also serves concurrently as Representative Director and President of DK Media, Inc., which is an affiliate of the Company. The Company has a business relationship with DK Media, Inc. concerning (i) outsourcing service for administrative work of DK Media, Inc., (ii) office leasing, (iii) office equipment leasing at DK Media, Inc., (iv) secondment of the Company's employees to DK Media, Inc., (v) business transactions.

Keizo Odori also serves concurrently as Representative Director and President of DK Gate, Inc., which is a subsidiary of the Company. The Company has a business relationship with DK Gate, Inc. concerning (i) outsourcing service for administrative work of DK Gate, Inc., (ii) secondment of the Company's employees to DK Gate, Inc.

*3 Candidate for Director Masashi Tanaka serves concurrently as Representative Director of DG Technologies, Inc., which is a subsidiary of the Company. The Company has a business relationship with DG Technologies, Inc. concerning (i) outsourcing service for administrative work of DG Technologies, Inc., (ii) office leasing, (iii) office equipment leasing at DG Technologies, Inc., (iv) secondment of the Company's employees to DG Technologies, Inc.

*4 There is no special interest between any other candidates for Directors and the Company.

*5 Candidate for Director Kenji Fujiwara is a candidate for Outside Director. At the conclusion of this meeting, his tenure as Outside Director of the Company will have been nine (9) years and nine (9) months.

Kenji Fujiwara is serving as a person executing business in Kakaku.com, Inc., which is a specified affiliated business operator for the Company. Kakaku.com, Inc., which is an affiliate of the Company, has a business relationship with the Company. In the fiscal year ended March 31, 2018, the value of business transactions between the Company and Kakaku.com, Inc. was as low as less than 3% of the consolidated net sales of the Company as well as that of the Kakaku.com, Inc. Consequently, the Company has determined that Kenji Fujiwara is sufficiently independent to fulfill his role as Director.

*6 Candidate for Director Emi Omura is a candidate for Outside Director. At the conclusion of this meeting, her tenure as Outside Director of the Company will have been three (3) years and nine (9) months.

*7 It is prescribed in the Articles of Incorporation of the Company in effect that the Company may enter into an agreement with Directors (excluding Executive Directors, etc.) to limit their liability for damages to the Company in an effort to attract competent individuals to the said posts.

The Company has entered into the said agreement with Kenji Fujiwara and Emi Omura to limit their liability for damages. If the Proposal No. 2 is approved, the Company plans to renew the agreement with them.

The details of the agreement are as follows:

- The Director shall be liable to the Company for damages caused by neglect of his or her duties, under Article 423, paragraph 1 of the Companies Act, up to the minimum amount prescribed in Article 425, paragraph 1 of the same Act.
- The limitation of the liability above shall apply only when the Director acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.

*8 The Company has designated candidates for Directors Kenji Fujiwara and Emi Omura as independent officers in accordance with the regulations of Tokyo Stock Exchange Inc. and notified therein. If they are reelected, the Company plans to continue their independent officer designation.

Proposal No. 3: Election of Four (4) Directors who are Audit and Supervisory Committee Members

At the conclusion of this meeting, the terms of office of four (4) Directors who are Audit and Supervisory Committee Members Hitoshi Ushiku, Makoto Sakai, Junji Inoue, and Koji Makino will expire. At this juncture, the Company proposes to elect four (4) Directors who are Audit and Supervisory Committee Members.

The consent of the Audit and Supervisory Committee for this proposal has been obtained.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name (Date of Birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)
1 Reelection	Makoto Sakai (February 21, 1957) Number of the Company's Shares Owned: 1,000 shares	Apr. 1986 Admitted to practice law in Japan (Nagoya Bar Association)
		Apr. 1988 Registered to the Tokyo Bar Association
		Aug. 2000 Established the Sakai Makoto Law Office
		June 2001 Corporate Auditor, Oak Capital Corporation (current position)
		Mar. 2005 Established the Sirius Law Office (currently in operation)
		Sept. 2010 Outside Auditor, the Company
		Sept. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (current position)
		Reason for the nomination as candidate for Outside Director Although Makoto Sakai has not been involved in corporate management other than having served as an outside officer, he has considerable experience and expertise as attorney-at-law. As Outside Auditor and Outside Director who is an Audit and Supervisory Committee Member of the Company, he has provided us with valuable opinions and suggestions concerning business management of the Company from the legal perspective. The Company therefore expects him to continue contributing to appropriate oversight of business operation of the Company and ensuring its sound business management, and nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.
2 Reelection	Junji Inoue (Sept. 18, 1949) Number of the Company's Shares Owned: – shares	Apr. 1974 Joined Mitsubishi Corporation
		June 1993 Chief of Palo Alto Office, Mitsubishi International Corporation Established MC Silicon Valley President, MC Silicon Valley
		Mar. 2000 Senior Vice President and General Manager, eCommerce Department, iMIC Division, Mitsubishi International Corporation
		Apr. 2003 Executive Officer, Mitsubishi Corporation
		June 2003 Director, Executive Officer & President, IT Frontier Corp.
		Mar. 2005 Representative Director and President, IT Frontier Corp.
		June 2007 Director, eAccess Ltd.
		Apr. 2009 Representative Director & Chairman, CEO and CTO, IT Frontier Corp.
		Apr. 2011 Adviser, IT Frontier Corp.
		Apr. 2012 Adviser, Bewith, Inc. (current position)
		June 2012 Executive Managing Director, Remote Sensing Technology Center of Japan (current position)
		Sept. 2012 Outside Auditor, the Company
		July 2016 Adviser, Takasago Thermal Engineering Co., Ltd. (current position)
		Sept. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (current position)
		Reason for the nomination as candidate for Outside Director Junji Inoue has a wealth of overseas business experience, and as Outside Auditor and Outside Director who is an Audit and Supervisory Committee Member of the Company, he has provided us with valuable opinions and suggestions concerning business management of the Company from a global perspective. The Company therefore expects him to continue contributing to appropriate oversight of business operation of the Company and ensuring its sound business management, and nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.

Candidate No.	Name (Date of Birth)	Career Summary, and Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	
3 Reelection	Koji Makino (October 7, 1966) Number of the Company's Shares Owned: 800 shares	Oct. 1988	Joined KPMG Minato Audit Firm (now KPMG AZSA LLC) Tokyo Office
		Aug. 1992	Became a Certified Public Accountant
		Aug. 1997	Manager, KPMG Melbourne Office
		Sept. 2000	Century Ota Showa & Co. (now KPMG AZSA LLC) Tokyo Office
		Sept. 2001	Joined Dan Consulting Co., Ltd.
		Oct. 2001	Became a Certified Public Tax Accountant
		July 2003	Director, Dan Consulting Co., Ltd.
		Jan. 2006	Established and Representative, Makino Koji Certified Public Accountant Office (current position)
		Feb. 2009	Director, BE1 Accounting Office (current position)
		Sept. 2012	Outside Auditor, the Company
		June 2013	Outside Auditor, Inageya Co., Ltd. (current position)
		Dec. 2015	Outside Auditor, Obara Group Inc.
		Sept. 2016	Outside Director (Audit and Supervisory Committee Member), the Company (current position)
		Dec. 2017	Outside Director, Obara Group Inc. (current position)
<p>Reason for the nomination as candidate for Outside Director Although Koji Makino has not been involved in corporate management other than having served as an outside officer, he has a wealth of experience and expertise as certified public accountant and consultant. As Outside Auditor and Outside Director who is an Audit and Supervisory Committee Member of the Company, he has provided us with valuable opinions and suggestions concerning business management of the Company from the accounting and taxation perspective. The Company therefore expects him to continue contributing to appropriate oversight of business operation of the Company and ensuring its sound business management, and nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>			
4 New election	Yasuyuki Rokuyata (April 5, 1956) Number of the Company's Shares Owned: 404,400 shares	Feb. 1979	Representative Director, Dude, Co., Ltd. (current position)
		July 1994	Director, Studio Garage, Inc.
		Dec. 1995	Director, the Company
		Dec. 2004	Representative Director and President, Creative Garage, Inc.
		Mar. 2011	Representative Director and President, DG Incubation, Inc.
		July 2011	Director and COO, the Company
		Sept. 2012	Director and Vice President, in charge of the Incubation Segment (now the Incubation Technology Segment), the Company
		July 2013	Director, Digital Garage US, Inc. (current position)
		June 2015	Representative Director and President, DK Gate, Inc.
		Aug. 2015	Director, econtext Asia Limited
		Aug. 2016	Director, DK Media, Inc.
		Sept. 2016	Director, Vice President Executive Officer, and in charge of the Incubation Technology Segment, the Company
		Nov. 2016	Director, DG Communications Co., Ltd. (current position)
		Apr. 2017	Director, Vice President Executive Officer, the Company (current position)
<p>Reason for the nomination as candidate for Director Yasuyuki Rokuyata has been active in the business management of the Company since its foundation, and has been engaged in the overall businesses of the Group, centering on incubation business in his capacities as Vice President of the Company and directors of the Group companies. The Company therefore expects him to contribute to appropriate oversight of business operation of the Company and ensuring its sound business management by leveraging his extensive experience in business management, and nominated him as a candidate for Director who is an Audit and Supervisory Committee Member.</p>			

*1 Makoto Sakai is a candidate for Outside Director. He is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company. At the conclusion of this Ordinary Shareholders'

General Meeting, he will have been in the post for one year and nine months. Including his time as an Outside Auditor, Makoto Sakai's total length of service will amount to seven years and nine months.

- *2 Junji Inoue is a candidate for Outside Director. He is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company. At the conclusion of this Ordinary Shareholders' General Meeting, he will have been in the post for one year and nine months. Including his time as an Outside Auditor, Junji Inoue's total length of service will amount to five years and nine months.
- *3 Koji Makino is a candidate for Outside Director. He is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company. At the conclusion of this Ordinary Shareholders' General Meeting, he will have been in the post for one year and nine months. Including his time as an Outside Auditor, Koji Makino's total length of service will amount to five years and nine months.
- *4 It is prescribed in the Articles of Incorporation of the Company in effect that the Company may enter into an agreement with Directors (excluding Executive Directors, etc.) to limit their liability for damages to the Company in an effort to attract competent individuals to the said posts.

The Company has entered into the said agreement with Makoto Sakai, Junji Inoue, and Koji Makino to limit their liability for damages. If the Proposal No. 3 is approved, the Company plans to renew the agreement with them.

The details of the agreement are as follows:

- The Director shall be liable to the Company for damages caused by neglect of his or her duties, under Article 423, paragraph 1 of the Companies Act, up to the minimum amount prescribed in Article 425, paragraph 1 of the same Act.
 - The limitation of the liability above shall apply only when the Director acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.
- *5 The Company has designated candidates for Directors Makoto Sakai, Junji Inoue, and Koji Makino as independent officers in accordance with the regulations of Tokyo Stock Exchange Inc. and notified therein. If they are reelected, the Company plans to continue their independent officer designation.
 - *6 In June 2018, Yasuyuki Rokuyata is scheduled to retire from his roles as Director at the following subsidiaries of the Company: Digital Garage US, Inc. and DG Communications Co., Ltd. In the event that this proposal is approved, Yasuyuki Rokuyata will be appointed as Director who is an Audit and Supervisory Committee Member.
 - *7 There is no special interest between any other candidates for Directors and the Company.

End

(Reference) Composition of the Board of Directors

Assuming Proposal No. 2 and Proposal No. 3 are approved without changes, the composition of the Company's Board of Directors will be as follows.

	Number of People	Outside Director	Independent Officer	
			Independent Officer	Proportion of Independent Officer
Director (excluding Audit and Supervisory Committee)	9	2	2	22.2%
Director (Audit and Supervisory Committee)	5	4	4	80.0%
Total	14	6	6	42.9%

As shown above, six of the 14 members of the Board of Directors will be Outside Directors, accounting for more than one third of the total. The all six Outside Directors will continue to be independent officers. The Company believes this structure will result in highly effective oversight within the Board of Directors.