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Securities Code: 4819

June 3, 2019

To Our Shareholders:

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

Notice of the 24th Ordinary Shareholders' General Meeting

You are cordially invited to attend the 24th 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 20, 2019 (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 20, 2019 (JST).

- 1. Date and Time:** Friday, June 21, 2019, at 10:00 a.m. (Reception starts at 9:30 a.m.)
- 2. Venue:** Grand Ballroom, The Ritz-Carlton Tokyo 2F
Tokyo Midtown 9-7-1 Akasaka, 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 24th fiscal year (from April 1, 2018 to March 31, 2019), 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 24th fiscal year (from April 1, 2018 to March 31, 2019)

Matters to be resolved

Proposal No. 1: Dividends of Surplus

Proposal No. 2: Partial Amendments to the Articles of Incorporation

Proposal No. 3: Election of Eight (8) Directors who are not Audit and Supervisory Committee Members

When you attend the meeting, you are kindly requested to present the enclosed voting card at the reception.

If any changes are made to items in the reference documents for the shareholders' general meeting and the business report, or to consolidated financial statements and non-consolidated financial statements, such changes will be posted on the Company's website.

The Company's website: https://www.garage.co.jp/ja/ir/
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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 effectively use internal reserves to further reinforce its financial position and to 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 24th fiscal year as follows:

Year-end dividends

Type of dividend property:	Cash
Allotment of dividend property and aggregate amount thereof:	¥28 per common share of the Company ¥1,286,604,144 in total
Effective date of dividends of surplus:	Monday, June 24, 2019

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for proposal

In line with the current state of the Group’s business, to provide for the expansion of the description of the business and future business development along with clarify the description of the business, with regard to Article 2 (Purposes) of the Current Articles of Incorporation, it is proposed to newly establish text in addition to renumber text along with supplement and change business purpose.

2. Details of amendments

Details of amendments are as follows:

(Underlined portions are amended)

Current Articles of Incorporation	Proposed Amendments
<p>Article 2 (Purposes) The purpose of the Company is to engage in the following businesses as well as to control and manage business activities of companies (including foreign companies; hereinafter the same shall apply in this article) which conduct the following or similar types of business, through acquisition of and holding their entire or partial shares.</p> <p>1. - 9. <Omitted> <Newly established></p> <p><u>10.</u> - <u>16.</u> <Omitted> <Newly established></p> <p><u>17.</u> - <u>18.</u> <Omitted></p> <p><u>19.</u> Business of planning, design, manufacture, sale, export and import of sales promotion goods related to display materials, mobile equipment, control equipment, clothing, convenience goods, garment textiles, foodstuffs, beverages, stationery, sports goods, toys, cosmetics, precious metals, precious stones, artworks, etc.</p> <p><u>20.</u> <Omitted> <Newly established> <Newly established></p> <p><u>21.</u> - <u>36.</u> <Omitted></p> <p><u>37.</u> <u>Proxy service for identity verification of parties using credit cards, etc. for internet vendors.</u></p> <p><u>38.</u> - <u>43.</u> <Omitted></p> <p><u>44.</u> Business of acquisition, investment, retention and management of <u>securities and</u> real estate securitization products, etc.</p>	<p>Article 2 (Purposes) The purpose of the Company is to engage in the following businesses as well as to control and manage business activities of companies (including foreign companies; hereinafter the same shall apply in this article) which conduct the following or similar types of business, through acquisition of and holding their entire or partial shares.</p> <p>1. - 9. <Unchanged></p> <p><u>10.</u> <u>Business related to the management of cooking, language and other types of schools.</u></p> <p><u>11.</u> - <u>17.</u> <Unchanged></p> <p><u>18.</u> <u>Business of planning, management and operation of rental conference rooms and studios, etc.</u></p> <p><u>19.</u> - <u>20.</u> <Unchanged></p> <p><u>21.</u> Business of planning, design, manufacture, sale, export and import of sales promotion goods related to display materials, mobile equipment, control equipment, clothing, convenience goods, garment textiles, foodstuffs, beverages, <u>alcoholic beverages</u>, stationery, sports goods, toys, cosmetics, precious metals, precious stones, artworks, etc.</p> <p><u>22.</u> <Unchanged></p> <p><u>23.</u> <u>Business of management of convenience stores.</u></p> <p><u>24.</u> <u>Business of management, administration and operation of hotels, inns and other accommodation facilities.</u></p> <p><u>25.</u> - <u>40.</u> <Unchanged></p> <p><u>41.</u> <u>Services and business related to the intermediation of those services, for registration, verification (authentication) and electronic certification of users with cryptography in computer networks.</u></p> <p><u>42.</u> - <u>47.</u> <Unchanged></p> <p><u>48.</u> Business of acquisition, <u>trading</u>, investment, retention and management of <u>financial products</u>, real estate securitization products, <u>currency and crypto assets, etc.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>45.</u> - <u>47.</u> <Omitted></p> <p> <Newly established></p> <p> <Newly established></p> <p> <Newly established></p> <p> <Newly established></p> <p> <Newly established></p> <p> <Newly established></p> <p> <Newly established></p> <p> <Newly established></p>	<p><u>49.</u> - <u>51.</u> <Unchanged></p> <p><u>52.</u> <u>Electronic settlement, etc. proxy service.</u></p> <p><u>53.</u> <u>Credit card business.</u></p> <p><u>54.</u> <u>Business of intermediation, brokerage, or agency for crypto assets transactions.</u></p> <p><u>55.</u> <u>Business related to provision of crypto assets exchange and transaction services and other services enabled by using it.</u></p> <p><u>56.</u> <u>Business related to the development and provision of systems for crypto assets exchange and transaction services and intermediation, brokerage, or agency for it.</u></p> <p><u>57.</u> <u>Business related to the development and provision of crypto assets and financial instruments using blockchain and infrastructure associated with them.</u></p> <p><u>58.</u> <u>Business of development and maintenance of systems for online financial services using crypto assets and blockchain.</u></p> <p><u>59.</u> <u>Business of over-the-counter transactions of derivatives for crypto assets, or intermediation, brokerage, or agency for it.</u></p> <p><u>60.</u> <u>The business of purchase and sale of crypto assets or intermediation, brokerage, or agency for it, using an electronic data processing system, conducted through a fixed price formation methods or other similar methods, with a large number of persons participating simultaneously as parties on one side of the transaction or as parties on both sides of the transaction.</u></p>
<p><u>48.</u> - <u>66.</u> <Omitted></p> <p> <Newly established></p>	<p><u>61.</u> - <u>79.</u> <Unchanged></p> <p><u>80.</u> <u>Business of call center operation.</u></p>
<p><u>67.</u> <Omitted></p>	<p><u>81.</u> <Unchanged></p>

Proposal No. 3: Election of Eight (8) 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 eight (8) Directors who are not Audit and Supervisory Committee Members.

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

No.	Name		Present position in the Company
1	Kaoru Hayashi	<u>Reelection</u>	Representative Director, President Executive Officer and Group CEO
2	Makoto Soda	<u>Reelection</u>	Director, Senior Executive Officer
3	Keizo Odori	<u>Reelection</u>	Director, Senior Executive Officer
4	Masashi Tanaka	<u>Reelection</u>	Director, Senior Executive Officer
5	Masahito Okuma	<u>Reelection</u>	Director, Senior Executive Officer
6	Joichi Ito	<u>Reelection</u>	Director
7	Kenji Fujiwara	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	Director
8	Emi Omura	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	Director

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: 6,815,400 shares	<p>Apr. 1983 Representative Director, From Garage, Inc.</p> <p>Aug. 1995 Founded the Company Representative Director, the Company</p> <p>Dec. 1996 Representative Director, K Garage, Inc. (now Representative Partner, K Garage, G.K.) (current position)</p> <p>June 2003 Chairman and Director, Kakaku.com, Inc. (current position)</p> <p>Nov. 2004 Representative Director, President and Group CEO, the Company</p> <p>Oct. 2013 Director and Chairman, VeriTrans Inc. (current position)</p> <p>Oct. 2013 Director and Chairman, ECONTEXT, INC. (current position)</p> <p>Oct. 2015 Director President & Chairman, econcontext Asia Limited (current position)</p> <p>June 2016 Director, Credit Saison Co., Ltd. (current position)</p> <p>July 2016 Director Chairman & CEO, Digital Garage US, Inc. (current position)</p> <p>July 2016 Director, DG Daiwa Ventures, Inc. (current position)</p> <p>Sept. 2016 Representative Director, Chairman and CEO, BI. Garage, Inc. (current position)</p> <p>Sept. 2016 Representative Director, President Executive Officer and Group CEO, the Company (current position)</p> <p>May 2017 Representative Director, Chairman and President, DG Incubation, Inc. (current position)</p> <p>Aug. 2018 Chairman CEO, DG Communications Co., Ltd. (current position)</p> <p>Sept. 2018 Director, Crypto Garage, Inc. (current position)</p>
<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>		
2 Reelection	Makoto Soda (June 30, 1963) Number of the Company's Shares Owned: 11,500 shares	<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</p> <p>June 2009 Director, DG Incubation, Inc. (current position)</p> <p>Sept. 2009 Director, Head of Group CEO Office, the Company</p> <p>Jan. 2012 Director, in charge of the Corporate Strategy Division, the Company</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, econcontext Asia Limited (current position)</p> <p>Apr. 2019 Director, Senior Executive Officer, in charge of the Corporate Strategy Division, 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)
3 Reelection	Keizo Odori (May 10, 1970) Number of the Company's Shares Owned: 9,900 shares	Apr. 2000 Joined Faith, Inc. June 2005 Director, Faith, Inc. Sept. 2010 Director, the Company Apr. 2012 Director, VeriTrans Inc. (current position) Sept. 2012 Director, in charge of the Payment Segment (now the Financial Technology Segment), the Company Sept. 2012 Director, econext Asia Limited (current position) Oct. 2013 Representative Director and President, Econext, Inc. (current position) Oct. 2015 Director, iRidge, Inc. (current position) July 2016 Representative Director, DG Daiwa Ventures, Inc. (current position) Sept. 2016 Director, DG Technologies, Inc. (current position) June 2017 Representative Director and President, DK Gate, Inc. (current position) June 2018 Director, DG MARKETING DESIGN, Inc. (current position) Oct. 2018 Director, Senior Executive Officer, in charge of the Financial Technology Segment, in charge of the Marketing Technology Segment, the Company (current position) Jan. 2019 Director, TD Payment Corporation (current position) Feb. 2019 Director, CyberBuzz, Inc. (current position)
<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, in charge of the Marketing 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: 17,200 shares	<p>Apr. 1998 Joined Nippon Information and Communication Corporation</p> <p>Aug. 2001 Joined the Company</p> <p>July 2006 Director, DG&Ibex Company</p> <p>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</p> <p>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</p> <p>Apr. 2012 Director, VeriTrans Inc.</p> <p>Apr. 2012 Director, NaviPlus Co., Ltd.</p> <p>Sept. 2012 Director, Head of Corporate Strategy Division, and Executive Vice President of DG&Ibex Company, the Company</p> <p>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</p> <p>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</p> <p>July 2016 Director President, Digital Garage US, Inc. (current position)</p> <p>Sept. 2016 Representative Director, DG Technologies, Inc. (current position)</p> <p>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</p> <p>May 2017 Director, Vice President and COO, DG Incubation, Inc. (current position)</p> <p>June 2017 Director, DK Gate, Inc. (current position)</p> <p>June 2017 Director, Senior Executive Officer, in charge of DG Lab, and in charge of the Incubation Technology Segment, the Company</p> <p>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> <p>Sept. 2018 Director, Crypto Garage, Inc. (current position)</p>
<p>Reason for the nomination as candidate for Director</p> <p>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	Masahito Okuma (October 24, 1975) Number of the Company's Shares Owned: 2,700 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 June 2018 Director, Senior Executive Officer, COO of DG Lab, Head of Group CEO Division, and Head of Business Innovation Department, Group CEO Division, the Company Sept. 2018 President, Crypto Garage, Inc. Dec. 2018 Director, Senior Executive Officer, COO of DG Lab, and Head of Group CEO Division, the Company (current position) Apr. 2019 President and CEO, Crypto Garage, Inc. (current position)
		<p>Reason for the nomination as candidate for 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.</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	<p>Apr. 1994 Representative Director, Ecosys Ltd.</p> <p>Aug. 1995 Founded the Company Representative Director, the Company</p> <p>June 1999 Director, the Company</p> <p>June 1999 Representative Director and Chairman, Infoseek Corporation</p> <p>Dec. 1999 Representative Director and President, Neoteny Co., Ltd.</p> <p>Sept. 2000 Representative Director, Cura Co., Ltd.</p> <p>June 2002 Director, PIA Corporation</p> <p>Dec. 2004 Adviser, the Company</p> <p>Jan. 2005 Director, Technorati Japan, Inc.</p> <p>Nov. 2005 Director, Mozilla Japan, a Middle-natured Corporation with the Limited Liability</p> <p>Aug. 2006 Director, CGM Marketing, Inc. (now BI. Garage, Inc.) (current position)</p> <p>Sept. 2006 Director, the Company (current position)</p> <p>June 2009 Outside Director, Culture Convenience Club Co., Ltd. (current position)</p> <p>Apr. 2011 Director, Massachusetts Institute of Technology (MIT) Media Lab (current position)</p> <p>July 2011 Director, Digital Garage US, Inc.</p> <p>June 2012 Board Member, The New York Times Company (current position)</p> <p>June 2013 Director, Sony Corporation</p> <p>May 2015 Board Member, Chairman, PureTech Health plc (current position)</p>
<p>Reason for the nomination as candidate for Director</p> <p>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 Outside Independent	Kenji Fujiwara (September 25, 1946) Number of the Company's Shares Owned: 22,900 shares	<p>Apr. 1969 Joined Shufu-no-mise Daiei, Inc. (now The Daiei, Inc.)</p> <p>May 1993 Director, Shufu-no-mise Daiei, Inc.</p> <p>June 1994 Representative Director & President, Daiei Convenience Systems, Co. Ltd. (now Lawson, Inc.)</p> <p>May 2000 Director, President & Chairman, former Econtext, Inc.</p> <p>May 2002 Chairman and Representative Director, Daiei Convenience Systems Co., Ltd. (now Lawson, Inc.)</p> <p>June 2003 President, Representative Director, FANCL CORPORATION</p> <p>Mar. 2007 Chairman, Representative Director, FANCL CORPORATION</p> <p>Jan. 2008 Director and Chairman, ThreeWin Co. Ltd.</p> <p>July 2008 Director, SBS Corporation</p> <p>Sept. 2008 Outside Director, the Company (current position)</p> <p>June 2009 Director, Kakaku.com, Inc. (current position)</p> <p>June 2015 Outside Director, SUNDRUG CO. LTD. (current position)</p>
<p>Reason for the nomination as candidate for Outside Director</p> <p>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 Outside Independent	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
		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)
		Feb. 2019 Vanguard Lawyers Tokyo
<p>Reason for the nomination as candidate for Outside Director</p> <p>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.</p>		

- *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.

Kaoru Hayashi also serves concurrently as Chairman CEO of DG Communications Co., Ltd., which is a subsidiary of the Company. The Company has a business relationship with DG Communications Co., Ltd. concerning (i) secondment of the Company's employees to DG Communications Co., Ltd., (ii) 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 Candidate for Director Masahito Okuma serves concurrently as President of Crypto Garage, Inc., which is a subsidiary of the Company. The Company has a business relationship with Crypto Garage, Inc. concerning (i) outsourcing service for administrative work of Crypto Garage, Inc., (ii) office leasing, (iii) office equipment leasing at Crypto Garage, Inc., (iv) secondment of the Company's employees to Crypto Garage, Inc.

- *5 There is no special interest between any other candidates for Directors and the Company.
- *6 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 ten years and nine months.
Kenji Fujiwara is serving as a non-Executive Director 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, 2019, the value of business transactions between the Company and Kakaku.com, Inc. was as low as less than 3% of net sales on a consolidation of the Company as well as that of Kakaku.com, Inc. Consequently, the Company has determined that Kenji Fujiwara is sufficiently independent to fulfill his role as Director.
- *7 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 four years and nine months.
- *8 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. 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.
- *9 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.

(Reference) Composition of the Board of Directors

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

	Number of People	Outside Director		
			Independent Officer	Proportion of Independent Officer
Director (excluding Audit and Supervisory Committee Member)	8	2	2	25.0%
Director (Audit and Supervisory Committee Member)	4	3	3	75.0%
Total	12	5	5	41.7%

As shown above, five of the 12 members of the Board of Directors will be Outside Directors, accounting for more than one third of the total. The all five Outside Directors will continue to be independent officers. The Company believes this structure will result in highly effective oversight within the Board of Directors.

End