

(This is a translation in English from the original in Japanese. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.)

May 12, 2020

To whom it may concern:

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Notice of Introduction of Restricted Stock Compensation System

Digital Media Professionals Inc. (“DMP”) has decided to revise its officer compensation system and introduce a restricted stock compensation system (the “System”) at the Board of Directors' meeting held on May 12, 2020. A proposal on these changes will be submitted as an agenda for the DMP's 18th Ordinary General Meeting of Shareholders (the “General Meeting of Shareholders”) scheduled to be held on June 19, 2020.

1. Purpose and Conditions of Introducing the System

(1) Purpose of Introducing the System

The purpose of the System is to give DMP's directors excluding outside directors (the “Eligible Directors”) the incentive to work for the continuous enhancement of DMP's corporate value and to further promote shared value with shareholders.

(2) Conditions for Introducing the System

The System will pay compensation to the Eligible Directors in the form of monetary claims to pay for the restricted stock granted. It is therefore conditional upon approval of the payment of such compensation by shareholders at the General Meeting of Shareholders.

The upper limit of DMP's director compensation was approved at 300 million yen per year (not including employee wages when a director serves concurrently as an employee) at the 8th Ordinary General Meeting of Shareholders held on June 24, 2008. At the General Meeting of Shareholders, DMP will ask its shareholders to approve introducing the System and setting the upper limit for compensation paid to the Eligible Directors regarding the System within the above-mentioned upper limit.

2. Overview of the System

Eligible Directors shall pay in the entire amount of monetary compensation claims paid to them under the System as a cash investment asset, and will receive shares of common stock issued or disposed of by DMP.

The total amount of the compensation paid to the Eligible Directors shall be up to 100 million yen per year within the current upper limit, and the total number of shares of common stock for new issuance or disposition by DMP to the Eligible Directors under the System shall be up to 30,000 per year (however, in cases where there is a stock split or a stock consolidation of shares of DMP's common stock and the like resulting in the need for an adjustment in the number of shares of DMP's common stock through the issuance or disposition of restricted stock and others, the total number will be adjusted to a reasonable extent).

In order to realize shared value with shareholders, which is one of the purposes of the introduction of the System, over the medium to long term, the transfer restriction period is set to a period determined by the Board of Directors from three to ten years. The Board of Directors will decide the specific timing of payment and allocation to each Eligible Director.

The Board of Directors will determine the amount to be paid in per share. This amount will be based on the closing price of DMP's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of a Board of Directors resolution (the closing price on the most recent day on which trading has taken place if there is no trading on that day), and will be an amount that does not provide the Eligible Directors who receive the common stock with a particularly advantageous price.

In addition, issuance or disposal of shares of DMP's common stock under the System (the "Shares") shall be conditional upon a restricted stock allocation agreement concluded between DMP and each Eligible Director (the "Agreement"). The agreement shall contain the following provisions: 1) transfer, pledging as collateral, or any other disposition of the Shares to third parties is prohibited for the specified time period, and 2) DMP will acquire the Shares for free under certain conditions.

(Reference)

Subject to the approval of the proposal regarding the System at the General Meeting of Shareholders, DMP plans to grant restricted stocks to part of its employees.