

[Translation]



September 30, 2020

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Notice of Start of New Business

We hereby announce that at a meeting of the Board of Directors held on September 30, 2020, we resolved to build a telecommunication service infrastructure using SD-WAN technology to provide new services, as follows.

1. Purpose of starting the business

The Arteria Group will build a service infrastructure using SD-WAN^(note) technology in its own optical fiber network environment and provide various new services, aiming to provide next-generation network services corresponding to the needs of its corporate and individual customers.

(Note)

Software Defined Wide Area Network: a specific application of software defined networking (SDN) technology expanding from LAN (Local Area Network) to WAN connections. SDN offers bandwidth on demand, security, and authentication functions through software to enable shorter network connection times and easy changes to configurations and functions.

2. Outline of the new business

(1) Details of the new business

Recently, in the start of provision of services for corporate customers, there are increasing needs for on-site configuration (“zero-config services”) functions that enable the various settings for devices to be conducted remotely.

Furthermore, in the ISP service for condominiums, there are increasing needs for viewing video or playing online games in a comfortable telecommunications environment within customers’ own homes.

The Company will build a new service infrastructure using SD-WAN technology to enable the provision of a telecommunications environment that meets the various needs of these users. The execution of this project is also expected to contribute to improved operational efficiency.

(2) Divisions responsible for the business

Persons in charge will be assigned by each relevant department in the Group to form a project team.

(3) Particular amounts to be invested for starting the business, and details of investments

To start this business, the Company expects to invest 1.5 billion yen in the fiscal year ending March 2022.

3. Schedule

(1) Resolution by the Board of Directors	September 30, 2020
(2) Start of the business	First quarter of the fiscal year ending March 2022 (Planned)

4. Outlook

The impact of this project on the full-year consolidated financial results for the fiscal year ending March 2021 is currently expected to be negligible.