

June 24, 2022

ARTERIA Networks Corporation
Koji Kabumoto,
Representative Director, President & CEO

Regarding the Adjourned Meeting of the Seventh Annual General Meeting of Shareholders

Regarding the Seventh Annual General Meeting of Shareholders to be held on June 29, 2022 (the “AGM”), we were scheduled to report to the shareholders at the AGM with respect to certain matters, including the following: 1) “Business report, report on the consolidated financial statements, and reports on the results of the audits of the consolidated financial statements by the accounting auditor and the Audit & Supervisory Board for the seventh term (from April 1, 2021 to March 31, 2022)”, and 2) “Report on the nonconsolidated financial statements for the seventh term (from April 1, 2021 to March 31, 2022)” (the “Financial Report for the Seventh Term”), after the completion of the required procedures, including the settlement procedures and receipt of the results of audit of the financial statements by the accounting auditor (the “Settlement-Related Procedures”).

However, as stated above one of our employees has been arrested for suspicion of fraudulently obtaining access charge fees from NTT Docomo and violating the law against organized crime, and we have established an Investigation Committee because of this. It seems likely that depending on the outcome of this investigation there is a possibility that the Settlement-Related Procedures need to be repeated. Since the investigation will require a decent amount of time, the Company decided to forego reporting on the Financial Report for the Seventh Term at the AGM.

Accordingly, we will convene a separate meeting as a continuation of the AGM (the “Adjourned Meeting”) to report on the Financial Report for the Seventh Term, and we will ask the shareholders to delegate the determination of the time, date, and venue of the Adjourned Meeting to the Board of Directors (the “Proposal”) at the AGM.

If the Proposal is approved at the AGM, we would like to send our shareholders the notice of the Adjourned Meeting and hold the Adjourned Meeting.

As the Adjourned Meeting will be a part of the AGM, the shareholders to be present at the Adjourned Meeting should be the same as those who can exercise their voting rights at the AGM.

We sincerely apologize to our shareholders for the inconvenience and concern that this caused.

(1) Seventh Annual General Meeting of Shareholders

- Date and Time Thursday, June 29, 2022, at 1:00 p.m.
- Venue Bellessalle Onarimon Tower 4 F 1-1-1, Shibakoen, Minato-ku, Tokyo
- Purpose:

Matters to be reported

1. Business report, report on the consolidated financial statements, and report on the result of the audit of the consolidated financial statements by the accounting auditor and the Audit & Supervisory Board for the seventh term (April 1, 2021 to March 31, 2022)

2. Report on the non-consolidated financial statements for the seventh term (April 1, 2021 to March 31, 2022)

*These matters will not be reported on at the AGM but during the Adjourned Meeting.

*In the “Notice of the 7th Annual General Meeting of Shareholders,” dated June 13, 2022, which the Company has already sent out, Business Report (pp 24–45) and the Non-Consolidated Financial Statements (pp 46–49) are attached; however, according to an examination by the Investigation Committee, they may require partial amendments. In such case, the Company will attach the amended Business Report and Non-Consolidated Financial Statements to the notice of holding the Adjourned Meeting.

Proposals

Proposal 1 Partial amendments to the Articles of Incorporation

Proposal 2 Election of five (5) directors

Proposal 3 Election of two (2) Audit & Supervisory Board Members

*In holding the Adjourned Meeting, the Company will make amendments to part of the wording of Proposal 2 (p 9) and Proposal 3 (p 16) within the Reference Material for the General Meeting of Shareholders attached to the “Notice of the 7th Annual General Meeting of Shareholders,” dated June 13, 2022, which the Company has already sent out. The amendments will be as follows.

Proposal 2: Election of Five (5) directors (revised sections are underlined)

<Before amendment>

The terms of all of the Company’s five (5) directors will expire at the conclusion of the Annual General Meeting. We therefore request the election of five (5) directors.

The details of this proposal have been approved by the Board of Directors having received notice of agreement of the Nomination and Compensation Committee, which is an advisory function to the Board of Directors that is chaired by an independent outside director.

The director candidates are as follows. (Herebelow omitted)

<After amendment>

The terms of all of the Company’s five (5) directors will expire at the conclusion of the Annual General Meeting, and if the holding of the Adjourned Meeting is approved at the AGM, they will resign when the AGM adjourns (after the conclusion of deliberation on June 29). We therefore request the election of five (5) directors.

The details of this proposal have been approved by the Board of Directors having received notice of agreement of the Nomination and Compensation Committee, which is an advisory function to the Board of Directors that is chaired by an independent outside director.

The director candidates are as follows. (Herebelow omitted)

Proposal 3: Election of two (2) Audit & Supervisory Board members (revised sections are underlined)

<Before amendment>

The terms of Audit & Supervisory Board Members Hidenori Shibasaki and Takeshi Motomura will expire at the conclusion of the Annual General Meeting. We therefore request the election of two (2) Audit & Supervisory Board members.

The details of this proposal have been approved by the Board of Directors having received notice of agreement of the Nomination and Compensation Committee, which is an advisory function to the Board of Directors that is chaired by an independent outside director. The proposal has also received agreement from the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board member are as follows.

<After amendment>

The terms of Audit & Supervisory Board Members Hidenori Shibasaki and Takeshi Motomura will expire at the conclusion of the Annual General Meeting, and if the holding of the Adjourned Meeting is approved at the AGM, they will resign when the AGM adjourns (after the conclusion of deliberation on June 29). We therefore request the election of two (2) Audit & Supervisory Board members.

The details of this proposal have been approved by the Board of Directors having received notice of agreement of the Nomination and Compensation Committee, which is an advisory function to the Board of Directors that is chaired by an independent outside director. The proposal has also received agreement from the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board member are as follows.

(2) Outline of Adjourned Meeting

We will convene an Adjourned Meeting as continuation of the AGM according to Article 317 of the Corporate Law. Matters to be resolved by and the schedule for the Adjourned Meeting are as follows.

- We will announce the date, time, and venue of the Adjourned Meeting as soon as the Proposal has been resolved and it is determined.

- Purpose:

Matters to be reported

1. Business report, report on the consolidated financial statements, and report on the result of the audit of the consolidated financial statements by the accounting auditor and the Audit & Supervisory Board for the seventh term (April 1, 2021 to March 31, 2022)
2. Report on the non-consolidated financial statements for the seventh term (April 1, 2021 to March 31, 2022)

(3) Dividends of Surplus

Regarding the dividends of surplus, dividends will be distributed as per our disclosure “Notice on Dividends of Surplus” on June 1, 2022.

	Determined amount	Latest dividend forecast (published May 13, 2022)	Previous fiscal year (fiscal year ended March 31, 2021)
Record date	March 31, 2022	Same as on the left	March 31, 2021
Dividend per share	31.45 yen	31.45 yen	55.37 yen
Total amount of dividend	1,568 million yen	-	2,767 million yen
Effective date	June 14, 2022	-	June 11, 2021
Dividend resource	Retained earnings	-	Retained earnings

(Note)

From the fiscal year ended March 31, 2022 the dividends of surplus were paid out twice a year as an interim dividend and a year-end dividend. Please refer to the following for a comparison of the dividends per share for the fiscal years ended March 31, 2021 and 2022 respectively.

(Ref.) Annual dividend details

	Dividends per share (yen)		
	Interim	Year-end	Total
Year ended March 31, 2022	29.00 yen	31.45 yen	60.45 yen
Year ended March 31, 2021	-	55.37 yen	55.37 yen