

**ARTERIA Networks Corporation**  
The 7th Annual General Meeting of Shareholders

June 29, 2022

**Moderator:** Thank you very much for attending the 7th Annual General Meeting of Shareholders of ARTERIA Networks Corporation. Prior to the opening of the meeting, the Secretariat would like to make a few remarks.

Please refrain from eating on site. Smoking is prohibited in the building. Please be sure to put your cell phones and other sound-producing devices on silent mode or turn them off, as they may disturb other shareholders. Photography, recording, or videotaping without permission is strictly prohibited. This venue is designed to be resistant to earthquakes. In the event of a strong earthquake, please remain calm and wait for instructions from the staff.

Lastly, due to concerns about the spread of COVID-19, all speakers and staff at this meeting are wearing masks. We would also like to ask all participating shareholders to wear masks in the venue and to be mindful of coughing etiquette. In some cases, speakers may take off their masks to speak at the chairperson's seat or for reply, but we have implemented measures to prevent infection. We ask for your understanding and cooperation.

Thank you for your patience. CEO Kabumoto, please.

**Kabumoto:** I'm Koji Kabumoto, President. Thank you very much for attending this general meeting of shareholders today.

In accordance with the provisions of the articles of incorporation of the Company, I will take the chair of this general meeting of shareholders.

We will start the 7th ordinary general meeting of shareholders of ARTERIA Networks Corporation.

The agenda items for this general meeting of shareholders are as shown on page one of the notice of the meeting. I would like to ask for your cooperation in following my instructions as chairman, in the conduct of the proceedings of this general meeting.

In addition, as a countermeasure against the spread of COVID-19, we will shorten the time for the meeting as long as we can, giving priority to the safety and security of shareholders. Please be considerate of your surroundings, in order to ensure the smooth proceedings of the meeting. Please note that shareholders who are coughing, or otherwise showing obvious signs of ill health, may be asked to leave the venue by some of the meeting staff.

At this general meeting of shareholders, we would like to accept questions and other comments from shareholders at once, after we have completed the presentation of the proposals for resolution and the explanation of the details of the proposals. Please note that only one question will be accepted at a time.

Finally, we have installed video cameras at the rear and on both sides to record the proceedings of this Meeting. We appreciate your understanding and cooperation.

We will now begin the proceedings.

The amendments to the notice of convocation have been notified twice via the internet. Please note that we have distributed the corrected notice of convocation to shareholders at the time of admission to the meeting.

We will discuss the second correction notice in the explanation related to the business report that follows.

In order to save time, I will not report on the number of shareholders present at this meeting, but the quorum required for the deliberation of the proposal has been met, including the voting form submitted by yesterday and the voting rights exercised via the internet.

We will now proceed with today's agenda.

With regard to the matters to be reported, 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 and supervisory board for the seventh term, as well as the report on the non-consolidated financial statements for the seventh term, we have been proceeding with the procedures related to the settlement of accounts, and as outlined in the Regarding the Adjourned Meeting of the Seventh Annual General Meeting of Shareholders attached hereto, on the eighth of this month, one of our employees was arrested on suspicion of involvement in an organized fraud to fraudulently obtain access charge fees from NTT Docomo.

In response, we have fully cooperated with the investigative authorities, and separately established an Investigation Committee to execute fact checking and investigate its impact on the financial results. The investigation by the Investigation Committee is still underway, and we are told that it will be some time before the results of the investigation are known.

Depending on the outcome of the investigation, the settlement of accounts for the current fiscal year must be made again. For this reason, it is proposed that the 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 and supervisory board for the seventh term, which are attached to the notice of this general meeting of shareholders, will not be made at this meeting, but will be presented separately at an adjourned meeting, after the adoption of the proposal at this meeting.

We are also unable to explain the results of the Investigation Committee's investigation at this time, as we are not in a position to report them to you at this time. Thank you for your understanding.

We sincerely apologize to our shareholders for the great concern this has caused.

I will now explain the contents of the resolutions.

# **Proposal 1**

## **Partial amendments to the Articles of Incorporation**

**Details on pages 7 to 8 of the Notice of the Meeting**

Proposal one is partial amendments to the articles of incorporation.

This proposal is to partially amend the articles of incorporation in order to prepare for the introduction of the electronic provision of reference materials for the general meeting of shareholders in accordance with the revised Companies Act, which is scheduled to come into effect on September 1 of this year.

The details of the changes are as described on pages five to six of the notice of the meeting.

## Proposal 2 Election of 5 directors

1 Reelection	<b>Koji Kabumoto</b>	4 Reelection Outside Independent	<b>Hiroshi Esaki</b>
2 Reelection	<b>Daisuke Arita</b>	5 Reelection Outside Independent	<b>Ichiro Miyake</b>
3 New	<b>Osamu Okubo</b>		

**Details on pages 9 to 15 of the Notice of the Meeting**

Proposal two is election of five directors.

The terms of office of all five current directors will expire at the conclusion of this annual meeting of shareholders and, in the event that the adjourned meeting is approved and passed at this annual general meeting, they will resign as of the adjournment of this annual general meeting. We therefore request the election of all five directors at once, as of this date.

The names, career profiles, and other information about the candidates for directors are as indicated on pages 7 through 12 of the notice of the meeting.

# Proposal 3 Election of 2 Audit & Supervisory Board members

<sup>1</sup> Reelection	<b>Hidenori Shibasaki</b>	<sup>2</sup> Reelection	<b>Takeshi Motomura</b>
		Outside	Independent

Details on pages 16 to 19 of the Notice of the Meeting

Proposal three is election of two audit and supervisory board members.

The terms of audit and supervisory board members, Hidenori Shibasaki and Takeshi Motomura, will expire at the conclusion of the annual general meeting, and in the event that the adjourned meeting is approved and passed at this annual general meeting of shareholders, they will resign today at the time of adjournment of this annual general meeting of shareholders. Therefore, we request the appointment of two audit and supervisory board members at once, as of this date.

The names, career profile, and other information of the candidates for corporate auditor are as indicated on pages 13 through 16 of the notice of the meeting.

The above is an explanation of the contents of each proposal.

## Question & Answer

**Kabumoto:** Now that we are ready to begin our deliberations, I would like to take questions regarding the proposals, and then we will take a vote. If you would like to make a remark, please raise your hand and I will nominate you to step up to the microphone. Please state your name and the number on your attendance slip before you speak. Please note that the microphone will be disinfected by a staff member after each change of shareholders. Please limit the number of questions to one at a time.

Also, as I mentioned earlier, please understand that we are not in a position to explain the results of the Investigation Committee's investigation today.

Now we would like to take your questions. Is there anyone who would like to ask a question?

**Participant:** I can somehow understand that there is too much you don't know at present to explain about the current case, but do you think you will be able to clarify them all in the next discussion at the adjourned meeting? Frankly, we, as shareholders, don't even know if anyone here is involved. In that situation, even if you tell us to wait, I think you should at least give us some explanations.

For example, it is reported in the newspapers and other media that there was damage of more than JPY1 billion, but just knowing the maximum impact on the Company out of more than JPY1 billion would be reassuring to some extent. Even for dividends that have already been paid, you are talking about redoing the financial statements, so are you sure that it is finalized?

To be honest, I don't think we will be asked to put that back in, but in a situation where we don't even know about that, honestly it is a bit troubling when those who may be involved say "we don't know."

How clear can you make that at the next opportunity? I really want you to be clear about that.

**Kabumoto:** Thank you very much. It was a question regarding this case by participant. I have just explained that we do not know the current situation and that we have not yet reached the point of explaining it, but will this be clarified at the adjourned meeting?

You mentioned that you are not even sure if the members here are involved in this case and being told to wait only makes you very anxious.

In addition, it is reported in the newspapers and other media that the damage was more than JPY1 billion, and you wonder if we can tell us just how much the damage was to our company.

Furthermore, with the dividends paid, and the last year's financial results not being finalized, or possibly changing, you are wondering if it is safe about dividends.

How far can we say that clearly, that our members are not involved? You are asking for clarification on at least that part.

First of all, we would like to express our deepest apologies once again to our shareholders for the situation and circumstances that have caused so much concern and anxiety. We are truly sorry. However, I must repeat that the police are still investigating the facts, and our Investigation Committee is also continuing its investigation, looking at various data, such as past correspondence, and who was involved and how.

At this point, the investigation by the police is still ongoing, and if we were to say anything, it may cause confusion in the investigation, so we can only say "please wait for the investigation by the Investigation Committee."

It is also unclear whether this will affect the fiscal year.

In addition, we are in the process of investigating the extent of the involvement of the members present today.

I don't know if I should say this, but I personally believe that the members here are not involved and that there is no organizational involvement. We would like to wait for the investigation and report back to you clearly at the adjourned meeting.

At that stage, there is no telling whether the investigation by the police has been completed. However, we would like to make sure that the settlement of accounts is done properly.

As for the question about dividends, we pay dividends based on comprehensive consideration of the profit for our shareholders and our margin for dividend payments. Based on the opinion of outside counsel, we are aware that there was no problem. Please be assured about that.

I am very aware that my answer is not sufficient to erase your concerns, but I would appreciate your understanding. We apologize for the inconvenience. Thank you very much. Next, please.

**Participant:** Related to the question just asked earlier, I wonder if the Company became aware of this only when it was reported in the newspapers. More to the point, if it had not been for the newspaper reports, the so-called arrests and such, would the Company have been unaware of anything that was going on?

Does this naturally lead us to suspect organizational involvement within the Company? Of course, you mentioned earlier that you were investigating the matter, but was there no way for the Company to know anything about it, and only the arrested party could have known? I would like to ask you if there was no governance of any kind.

**Kabumoto:** Thank you very much. Participant asked a question related to the case. Did we first learn of the contents of the report through the newspaper report? Had we not noticed it before that? Had we noticed anything, including the lack of organizational involvement?

In addition, you were asking whether only the parties concerned knew about it and whether the Company was not in a position to know about it.

This case is still under investigation, including whether or not our company's employee who was arrested was involved in the fraud.

Accordingly, the investigation includes the extent to which our employee was involved, or whether he was not involved. The fact is that he was arrested based on some grounds, but we are still in the process of investigating the extent of his involvement, and we do not know the extent of the employee's involvement at this time.

Accordingly, the Company is now conducting an investigation to determine how he was or was not involved there. Therefore, the investigation by the police, and by us, has not yet reached the point where an employee was arrested, which means a crime was committed, which means the Company should have known about it.

Depending on how far the police investigation progresses, we would like to clarify as much as possible at the adjourned meeting. The survey report will be coming out, and we would like to make sure about that. We believe so. However, as I mentioned earlier, we have not determined that there is any organizational involvement at this time, and I personally believe there is not. We would like to wait for the report of the Investigation Committee and report back to you. We hope you will understand.

Now, I would like to move on to the next question.

**Participant:** We would like to ask you about the case at the adjourned meeting, but we do not want you to neglect your work because of the case. You have recently entered into a capital and business alliance with

GameWith. What do you actually want to do, how effective will it be, how much profit can be expected, and when is it expected to be achieved?

**Kabumoto:** Thank you very much. Participant asked a question. It was about not neglecting the day-to-day work itself, and also about the investment in GameWith, which we announced the other day that it will become an equity-method affiliate. I think you would like to hear about the concept of monetization, including the schedule, what the purpose of the project is, and how it will be monetized.

Mr. Ohashi, CDO our Chief Digital Officer, will respond to you regarding this matter. Mr. Ohashi, please.

**Ohashi:** I'm Ohashi in charge of this matter. Thank you. Regarding our dealings with GameWith, in the short to medium term, GameWith is a game strategy site or introduction site company with tens of millions of users. This is the largest site in Japan for those who are playing the game there.

**Participant:** Tens of millions include both 10 million and 90 million. How much is it really?

**Ohashi:** There are about 40 million accesses. Our first business will be to sell our lines to them. As you know, most games are played online these days, mainly through internet connections, and many game players require fast, high-quality connections. I think our first business will be to sell our lines to them in cooperation with GameWith. Naturally, after that, the gaming industry will expand greatly, and we are now considering various business developments as we provide capital together with them. That is all I have to say.

**Kabumoto:** As you can see, we are basically a B2B company, and although we handle internet for condominiums, it is also B2B2C, so we do not have many opportunities to directly interact with consumers.

On the other hand, GameWith, as Mr. Ohashi mentioned earlier, has 40 million accesses, especially by users who play games. They want a high-quality network. So, we are hoping that our network line will be sold through GameWith. Although it will be a bit like entering the B2B (SIC) world, we would like to develop this kind of business, and after that, we would like to do business with NFT and other companies in this field.

We are somewhat devastated by the incident this time, or rather, we are very sorry about that, but as you said, we are determined to expand our day-to-day business.

Now I would like to move on to the next question. Is there anyone who would like to ask a question?

Since there seem to be no more questions, I would like to close the question-and-answer session and proceed to the vote on the agenda.

We will now vote on proposal one, partial amendments to the articles of incorporation.

The shareholders in favor of the original proposal, please clap your hands.

Thank you very much. As more than two thirds of the votes cast, including those by way of the voting form and via the internet, were in favor of the proposal, the proposal was approved and passed as proposed.

We will now vote on proposal two, election of five directors.

The shareholders in favor of the original proposal, please clap your hands.

Thank you very much. As the majority of the votes cast, including those by way of the voting form and via the internet, were in favor of the proposal, the proposal was approved and passed as originally proposed.

Next, we will vote on proposal three, election of two audit and supervisory board members.

The shareholders in favor of the original proposal, please clap your hands.



Thank you very much. As the majority of the votes cast, including those by way of the voting form and via the internet, were in favor of the proposal, the proposal was approved and passed as originally proposed.

With the above, all the proposals as stated in the notice of convocation have been completed.

I would like to continue with the holding of the adjourned meeting.

As reported at the beginning of this meeting, we would like to adjourn this meeting and hold the adjourned meeting at a later date to report on the items to be reported at this meeting.

We would like the Board of Directors of the Company to determine the date, time, and place of the meeting.

Then, do you have any objection to the holding of the adjourned meeting and to the discretion of the Board of Directors of the Company as to the date, time, and place of the adjourned meeting?

Thank you very much. Since the majority of the Board members are in favor of the proposal, we will adjourn this meeting and hold the adjourned meeting later in the day, which will be integral to today's agenda.

The date, time, and place of the adjourned meeting will be announced separately.

We apologize to our shareholders for having to make the trip again and thank you in advance for your cooperation.

The meeting will now be adjourned until the adjourned meeting is held.

I would like to express my best wishes for the continued good health of our shareholders and ask for your continued support and cooperation in our business operations.

Thank you very much for your time today.