

[Translation]



April 22, 2019

Company Name: ARTERIA Networks Corporation
Representative: Koji Kabumoto, President & CEO
(Code No: 4423 TSE 1st section)
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Notice Regarding Establishment of Third-Party Committee

We hereby announce that at a meeting of the Board of Directors held recently it was decided to establish a Third-Party Committee as follows.

1. Reason for establishing a Third-Party Committee

As announced by our company in its press release dated April 16, 2019 titled “Potential Violation of the Antimonopoly Act,” we have identified that our company and our subsidiary, TSUNAGU NETWORK COMMUNICATIONS INC. (“TNC”), may have engaged in certain conduct (the “**Conduct**”) with competitors of TNC that may potentially have been in violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (the “**Antimonopoly Act**”). We were listed on the first section of the Tokyo Stock Exchange, Inc. (“TSE”), on December 12, 2018 (the “**Listing**”). In the documents that our company filed with TSE at the time of the application for the Listing (the “**Application Documents**”) and in the Securities Registration Statement dated November 13, 2018, we provided a general risk statement indicating that, if we were unable to comply with the Antimonopoly Act and other regulations, our group's activities may be restricted and we may incur increased costs. However, the Conduct was not included in the those documents.

We take very seriously a series of incidents which form the reasons why the Conduct was not included in the Application Documents and the Securities Registration Statement. To clarify this matter, investigations were conducted by both our legal counsel and outside counsel who do not have an advisory relationship with our company. However, in order to conduct more objective investigations, at a meeting of the Board of Directors held recently, we decided to establish a Third-Party Committee, comprising solely of fair and impartial outside counsel who do not have any interests in our company, and to change the framework of the investigation to one conducted by that Third-Party Committee. In addition, this Third-Party Committee was established in accordance with in the Japan Federation of Bar Associations “Guidelines for Third-Party Committees Relating to Corporate Scandals” (Revised December 17, 2010).

2. Tasks Delegated to the Third-Party Committee

(1) Investigating

- a. The reasons why the Conduct was not included in the Application Documents and the Securities Registration Statement in the process of the Listing.
- b. The reasons why our company did not disclose the fact that the Conduct was not included in the Application Documents and the Securities Registration Statement, until April 16, 2019.

(2) A cause analysis and recommendations for preventive measures regarding the findings revealed in the investigation described in (1).

(3) Any other tasks deemed by the Third-Party Committee to be necessary.

3. Members of the Third-Party Committee

We have appointed the following Third-Party Committee members, in accordance with the Japan Federation of Bar Associations “Guidelines for Third-Party Committees Relating to Corporate Scandals” (Revised December 17, 2010), as fair and impartial outside experts who do not have any interests in our company, in light of the opinion of the outside auditor.

Committee Chair	Kumazaki Katsuhiko (Attorney-at- law)	1972	Appointment as a public prosecutor
		1987	Public Prosecutor, Tokyo District Public Prosecutors Office
		1992	Deputy Director, Special Investigation Department of Tokyo District Public Prosecutors Office
		1994	Director, The Second Department of Research and Training Institute of the Ministry of Justice
		1996	Director, Traffic Department of Tokyo District Public Prosecutors Office
		1996	Director, Special Investigation Department of Tokyo District Public Prosecutors Office
		1998	Chief Prosecutor, Toyama District Public Prosecutors Office
		1999	Public Prosecutor, Supreme Public Prosecutors Office
		2000	Chief Prosecutor, Maebashi District Public Prosecutors Office
		2002	Public Prosecutor, Supreme Public Prosecutors Office
		2002	Director, Trial Department of Supreme Public Prosecutors Office
		2004	Director, Public Security department of Supreme Public Prosecutors Office
		2004	Retiring a Public Prosecutor
		2004	Admitted as an Attorney
		2004	Nozomi Sogo Attorneys at law
		2005	Adviser, Nippon Professional Baseball Organization
		2005	Visiting Professor, Meiji University Law School (until 2008)
		2005	Visiting Professor, Gifu Women’s University
		2006	Establishing Kumazaki Katsuhiko Sogo Law Office
		2009	Chairman, the Investigation Committee of Nippon Professional Baseball Organization (until 2013)
2014	Commissioner, Nippon Professional Baseball Organization(Retire at the end of term in 2017)		
2014	Committee Member, the Management Advisory Committee of SBI Holdings, Inc. (until 2016)		
2017	Adviser, Nippon Professional Baseball Organization (until 2018)		
2018	Adviser, the Central Council of Violent Exhaustion of the Nippon Professional Baseball Organization		

Committee Member	Matsuyama Haruka (Attorney-at-law)	1995 Appointed as an Assistant Judge to the Tokyo District Court 2000 Admitted as an Attorney 2000 Hibiya Park Law Offices 2011 Member of the Special Committee of Saison Information Systems Co., Ltd. 2012 Member of the Independent Committee of Fumakilla Limited 2012 Corporate Auditor of Vitec Co., Ltd (until 2015) 2013 Director of T&D Holdings, Inc. 2013 Member of the Independent Committee of Kobayashi Pharmaceutical Co., Ltd. 2014 Statutory Auditor of Mitsui & Co., Ltd. 2014 Director of Mitsubishi UFJ Financial Group, Inc. 2015 Auditor of Medical Corporation Foundation Aoba Kouseikai 2015 Director of VITEC HOLDINGS CO., LTD (Current Restar Holdings Corp.). 2017 Member of the Responsible Investment Committee of The Dai-ichi Life Insurance Co., Ltd.
Committee Member	Yada Yuu (Attorney-at-law)	2007 Mori Hamada & Matsumoto 2012 Securities and Exchange Surveillance Commission 2014 Financial Service Agency Supervision Bureau Securities Business Division Financial Service Agency Planning and Coordination Bureau Planning Division Credit System Office (Banking Law in charge) Return to of Mori Hamada & Matsumoto 2018 Establishing Hihumi Sogo Law Office

4. Schedule for the future

As to the investigation by the members of the Third-Committee, we will receive an investigation report in mid June, including the results of their investigation at that time.

In addition, we plan to make the report prepared by the Third-Party Committee public as soon as possible.

5 Future Outlook

Our company will continue to manage the Third-Party Committee in accordance with the guidelines above and provide full cooperation to the investigation by the Third-Party Committee.

The impact of these matters on our business performance cannot be determined at this time, but we will inform you of our evaluation as soon as it is complete.

We are currently scheduled to announce the full-year financial results for fiscal year ended March 2019 on May 15, 2019, if any changes occur to this schedule we will promptly announce them.