

[Translation]



May 31, 2019

Company Name: ARTERIA Networks Corporation
Representative: Koji Kabumoto, Representative Director,
President & CEO
(Code No: 4423 TSE 1st section)
Inquiries: Seiichi Tateishi, Director, CFO, and
Managing Executive Officer
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Notice on Dividends of Surplus

We hereby announce that at the meeting of the Board of Directors held on May 31, 2019, we decided to submit a proposal to pay dividends of surplus with a record date of March 31, 2019 at the fourth Annual General Meeting of Shareholders to be held on June 27, 2019 (the “AGM”), as follows.

1. Details of dividends

| | Determined amount | Latest dividend forecast (published May 14, 2019) | Previous fiscal year (fiscal year ended March 31, 2018) |
|--------------------------|-------------------|--|---|
| Record date | March 31, 2019 | Same as on the left | March 31, 2018 |
| Dividend per share | 26.22 yen | 26.22 yen | 0.00 yen |
| Total amount of dividend | 1,310,998,401 Yen | - | - |
| Effective date | June 28, 2019 | - | - |
| Dividend resource | Capital surplus | - | - |

(Note) Net asset diminution rate 0.354 (approximate estimate)

2. Reason

Our basic policy for dividend distributions is to provide stable dividends to our shareholders. We set a medium- to long-term target of a dividends payout ratio of approximately 50% and plan to distribute dividends once a year as year-end dividends. In light of the fact that there is less than six months from our listing date on the Tokyo Stock Exchange to the dividend payment record date for the fiscal year ended March 31, 2019, we decided to pay year-end dividends of 26.22 yen per share for the fiscal year ended March 31, 2019 as in our previous notice.

In addition, as announced by our company in its press release dated May 31, 2019 titled “Notice Regarding Partial Amendments to Articles of Incorporation”, the dividends of surplus are premised on the amendments to the articles of incorporation which enable our company to decide the amount of dividends of surplus, etc. not only at a meeting of the Board of Directors but also at the shareholders meeting, and therefore are subject to approval at the AGM of the third and the fourth proposal to the AGM, “Decrease in the Amount of Capital Reserve” and “Partial Amendments to the Articles of Incorporation”, respectively. Moreover, the taking effect of the decrease in the amount of the capital reserve and partial amendments to the articles of incorporation are also prerequisites.

In our company’s press release dated May 14, 2019, titled, “Notice Regarding a Decrease in the Amount of Capital Reserve”, we announced that we may withdraw the proposal for decreasing the amount of the capital reserve to be proposed at the AGM. However, as it has become clear that by the time of the AGM, our company is unlikely to finalize the financial statements for the fiscal year

ended March 31, 2019 due to the time required for the investigation by the Third Party Committee, we decided to submit the proposal for decreasing the amount of the capital reserve at the AGM, and not to withdraw this proposal.