



March 25, 2022

To whom it may concern:

Net One Systems Co., Ltd.
(Stock Code: 7518, TSE1)

Notice regarding Net One Systems' transition into a company with an audit and supervisory committee and candidates for the position of executive director

Net One Systems Co., Ltd. ("Net One Systems" or the "Company") hereby announces that, during a meeting held on March 25, 2022, its Board of Directors reached the decision to transition into a company with an audit and supervisory committee subject to approval of a corresponding resolution during its 35th Annual Shareholders Meeting (scheduled for June 2022) and established the list of post-transition executive director candidates (including candidates for concurrent positions as executive directors and members of the Audit & Supervisory Committee) who will be nominated during the Annual Shareholders Meeting.

1. Transition into a company with an audit and supervisory committee

(1) Purpose of transition

In 2019 and 2020, a series of misconduct cases involving former employees of Net One Systems and other individuals were uncovered. After an external investigative committee provided an analysis of the causes behind these cases and recommendations regarding recurrence prevention measures, Net One Systems formulated its own specific recurrence prevention measures and implemented group-wide efforts aimed at strengthening internal controls and fundamentally reforming its corporate governance and corporate culture.

Net One Systems has concluded that ensuring the sustainable rollout and development of these initiatives will require an increase in the independence and objectivity of its Board of Directors and a further strengthening of its oversight of business execution. Additionally, Net One Systems has surmised that it must establish a business execution system through which it can respond quickly and flexibly to rapid changes in the business environment surrounding its corporate group in order to achieve targets in the new medium-term business plan it is currently formulating and generate ongoing improvement in its corporate value. Based on these requirements, Net One Systems has decided to transition from a company with an audit and supervisory board into a company with an audit and supervisory committee.

Details regarding any amendments made to the Company's Articles of Incorporation in connection with this transition will be announced as soon as they are determined.

Following the transition, the Board of Directors will consist of nine executive directors, six of whom will be outside executive directors.

(2) Timing of transition

Net One Systems plans to transition into a company with an audit and supervisory committee after obtaining approval for necessary changes to its Articles of Incorporation during the Annual Shareholders Meeting scheduled for June 2022.

2. Candidates for appointment as executive directors following the transition toward a company with an audit and supervisory committee

(1) Candidates for appointment as executive directors (excluding candidates for concurrent positions as executive directors and members of the Audit & Supervisory Committee; to be proposed at the Annual Shareholders Meeting scheduled for June 2022)

Name	New position	Current position
Takafumi Takeshita	President & CEO	President & CEO
Takuya Tanaka	Executive director	Executive director
Mitsuru Kiuchi	Executive director	Adviser
Maya Ito* ¹	Outside executive director	Outside executive director
Hideki Suda* ¹	Outside executive director	Outside member of the Audit & Supervisory Board
Masayoshi Wada* ²	Outside executive director	—

*1 The Company has registered this individual as an independent officer as required by the Tokyo Stock Exchange, and will maintain his or her registration with the Exchange as such if his or her appointment is approved at the Annual Shareholders Meeting scheduled for June 2022.

*2 If Masayoshi Wada's appointment is approved at the Annual Shareholders Meeting scheduled for June 2022, the Company will register him as an independent officer as required by the Tokyo Stock Exchange.

(2) Brief professional histories of new executive directors (excluding executive directors who will serve concurrently as members of the Audit & Supervisory Committee)

Name: Mitsuru Kiuchi

Date of birth: December 26, 1958

History: April 1981 Joined Tokio Marine & Fire Insurance Co., Ltd. (now Tokio Marine & Nichido Fire Insurance Co., Ltd.)
July 2009 General Manager, Nagano Branch
June 2012 General Manager, Kansai Business Support Dept.
June 2013 Executive Officer
July 2015 Appointed full-time auditor of Health Insurance Claims Review & Reimbursement Services
July 2019 Appointed full-time Audit and Supervisory Board member of Tokio Marine & Nichido Facilities, Inc.
March 2021 Appointed adviser at Net One Systems
April 2022 Appointed senior vice president at Net One Systems (projected)

Name: Masayoshi Wada
Date of birth: January 5, 1959
History: April 1983 Joined IBM Japan, Ltd.
July 2007 Appointed executive officer, vice president, and head of global engineering solutions
May 2008 Appointed general manager of the Corporate Planning Division at Canon Marketing Japan Inc.
March 2010 Appointed director, senior executive officer, and general manager of the Infrastructure Business Division at Canon IT Solutions Inc.
March 2013 Appointed director, senior executive officer, and general manager of the Infrastructure Business Division at Canon IT Solutions Inc. and director at Canon ITS Medical Inc.
January 2014 Appointed director, senior executive officer, and deputy general manager of the SI Service Division at Canon IT Solutions Inc.
March 2016 Appointed full-time Audit and Supervisory Board member of Canon IT Solutions Inc.
March 2020 Appointed director (in charge of Development Department) at Softmax Co., Ltd. (current position)

(3) Candidates for concurrent positions as executive directors and members of the Audit & Supervisory Committee (to be proposed at the Annual Shareholders Meeting scheduled for June 2022)

Name	New position	Current position
Kazuhiro Noguchi* ^{1,2}	Outside executive director (full-time member of the Audit & Supervisory Committee)	Full-time outside member of the Audit & Supervisory Board
Sachiko Iizuka* ¹	Outside executive director (member of the Audit & Supervisory Committee)	Outside member of the Audit & Supervisory Board
Shigeki Kusaka* ¹	Outside executive director (member of the Audit & Supervisory Committee)	Outside member of the Audit & Supervisory Board

*1 The Audit & Supervisory Board is in agreement with the proposed nomination of this candidate for concurrent positions as executive director and member of the Audit & Supervisory Committee during the Annual Shareholders Meeting scheduled for June 2022.

Furthermore, the Company has registered this individual as an independent officer as required by the Tokyo Stock Exchange, and will maintain his or her registration with the Exchange as such if his or her appointment is approved at the Annual Shareholders Meeting.

*2 During a meeting of the Audit & Supervisory Committee to be held following the Annual Shareholders Meeting scheduled for June 2022, Net One Systems plans to appoint Kazuhiro Noguchi to concurrent positions as executive director and full-time member of the Audit & Supervisory Committee.

(4) Outgoing executive directors (scheduled to step down at the conclusion of the Annual Shareholders Meeting scheduled for June 2022)

Name	Current position
Fumihiko Shinoura*	Executive director
Koji Tsuji*	Executive director
Ryugo Hayano	Outside executive director

* Following their departures from the Board of Directors, both Fumihiko Shinoura and Koji Tsuji will continue to play a central role in the execution of operations performed by Net One Systems as executive vice presidents.

(5) Outgoing member of the Audit & Supervisory Board (scheduled to step down at the conclusion of the Annual Shareholders Meeting scheduled for June 2022)

Name	Current position
Keiichi Horii	Outside member of the Audit & Supervisory Board