

July 1, 2022

To whom it may concern

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Establishment of a Third-Party Investigation Committee about the Loss of USB Flash Drives

We hereby announce that we have established a third-party investigation committee composed of external experts today in the wake of the loss of USB flash drives that contained personal data of residents in Amagasaki City, Hyogo Prefecture. (We made a public announcement of the incident on our company's website on June 23, 24 and 26, 2022 as indicated below in "1. Development of Events until the Establishment of a Third-Party Investigation Committee".)

Please find below the summary of the third-party investigation committee.

We will fully cooperate with the third-party investigation committee for its investigations and verifications.

Once again, we hereby express our deep apologies for the significant concerns that we caused our stakeholders including our customers.

1. Development of Events until the Establishment of the Third-Party Investigation Committee

As we made a public announcement in our corporate website (*) on and after June 23, 2022, we had an incident that an employee of our second-tier subcontracting company lost on June 21 USB flash drives with encrypted personal data to be used for a business which we were entrusted with by Amagasaki City. The business was administrative work about temporary special benefit payments to resident-tax-exempt households, etc. in the city. Please see our website about the development details.

We found and recovered the USB flash drives on June 24. No leakage of personal data contained in it has been confirmed as of today. However, in light of the critical nature of this issue, we have established today a third-party investigation committee in order to conduct factual investigations/verifications and causal analyses by ensuring objectivity, and remedial measures

based on the foregoing, and fulfill our accountability for our stakeholders. The third-party investigation committee comprises of three external experts who have no interest in the Company. We have elected members for the third-party investigation committee pursuant to the “Guideline of Third-Party Investigation Committee for Corporate Misconduct” (issued on July 15, 2010 and revised on December 17, 2010) prepared by the Japan Federation of Bar Association.

(*)

https://www.biprogy.com/e/topics/info_20220623.html

https://www.biprogy.com/e/topics/info_20220624_1.html

https://www.biprogy.com/e/topics/info_20220624_2.html

https://www.biprogy.com/e/topics/info_20220626.html

2.Composition of the Third-Party Investigation Committee and Brief Biographies

Chairperson

Hiroshi Inoue (Attorney, Former Chief Public Prosecutor, Fukuoka High Public Prosecutors Office)

Member

Toshiya Natori (Attorney, Former Prosecutor of the Supreme Public Prosecutors Office)

Member

Takashi Nakayama (Certified Public Accountant, Certified Information Systems Auditor)

3.Tasks of the Third-Party Investigation Committee Commissioned by the Company

The Company commissioned the third-party investigation committee with tasks to investigate and verify facts and conduct causal analyses by ensuring objectivity and recommend remedial measures with respect to this case and similar cases. The third-party investigation committee will decide specific manners for and subjects of the investigation.

4.Expected Losses and Impacts due to this Case

Relevant facts are to be confirmed and under investigation at this point in time. The Company will examine and analyze any losses and impacts that may be caused by this case. We will make public announcement of expected losses and impacts due to this case as soon as it is found.

5.Work Plans

We will have the third-party investigation committee conduct investigations and verifications that the committee finds necessary. The Company will make endeavors including a prompt disclosure of a report upon receiving it from the third-party investigation committee.

The third-party investigation committee will decide on specific schedules about investigations and

verifications and other matters.

<Reference> Members' Biography

Name	Biography
Hiroshi Inoue	1985 Appointed to public prosecutor 2017 Director-General, Inspection and Guidance Department, Supreme Public Prosecutors Office 2017 Chief Prosecutor, Nagoya District Public Prosecutors Office 2018 Chief Public Prosecutor, Sapporo High Public Prosecutors Office 2020 Chief Public Prosecutor, Fukuoka High Public Prosecutors Office 2020 Retired 2020 Registered as Attorney (The Dai-ichi Tokyo Bar Association) 2020 Momo-o, Matsuo & Namba, Of Counsel
Toshiya Natori	1988 Prosecutor 2015 Prosecutor, Supreme Public Prosecutors Office 2016 Registered as Attorney (The Dai-ichi Tokyo Bar Association) 2020 Partner, Natori Law Office 2020 Outside Auditor, TOBISHIMA CORPORATION (Present) 2020 External Director, Japan Enerise Co.,Ltd. (-2021) 2021 External Director, ASANTE INCORPORATED (Present) 2021 External Director (Audit and Supervisory Committee Member), Mirainovate Co.,Ltd. (Present)
Takashi Nakayama	2002 Registered with the Japanese Institute of Certified Public Accountants 2006 Joined PricewaterhouseCoopers Aarata (present PricewaterhouseCoopers Aarata LLC) 2006 Designated as ISACA's Certified Information Systems Auditor (CISA) 2019 Partner at PwC Business Assurance LLC of PricewaterhouseCoopers Aarata LLC