

January 18, 2021

Company Name: Warabeya Nichiyo Holdings Co., Ltd.
Representative: Hiroyuki Otomo, Representative Director, President
(Securities code: 2918, Tokyo Stock Exchange First Section)
Contact: Naoshi Asano, Director, Managing Executive Officer
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Notice of Establishment of Internal Investigation Committee

On December 28, 2020, our consolidated subsidiary of SOCIALINK CO., LTD. (hereinafter "SOCIALINK") was prosecuted by the Chiba District Public Prosecutors Office on suspicion of violation of the Immigration Control and Refugee Recognition Law (hereinafter "Immigration Control Law").

Having taken the situation seriously, we have been cooperating with the investigation since the Chiba Prefectural Police Headquarters searched at the SOCIALINK headquarters on November 18 last year. Upon prosecution by Public Prosecutors Office, we have decided to establish an internal investigation committee as we consider that a more objective and specialized investigation of the facts are necessary.

This situation is extremely regrettable, and we deeply apologize for the serious concerns and inconvenience caused to our customers, business partners, shareholders, and other stakeholders.

Notes

1. Background of the case

November 18, 2020: Search by Chiba Prefectural Police Headquarters to the SOCIALINK Headquarters (Suspected violation of Immigration Control Law regarding the history and content of employment of foreign employees at the Chiba Sales Office)

December 18, 2020: SOCIALINK was referred to Chiba District Public Prosecutors Office (suspected violation of Immigration Control Law)

December 28, 2020: Chiba District Public Prosecutors Office prosecuted SOCIALINK (suspected violation of Immigration Control Law)

In connection with the above, four employees working at the SOCIALINK Chiba Sales Office were prosecuted on December 8, 2020 (suspected violation of Immigration Control Law)

2. Objectives of Establishing the Internal Investigation Committee

We have decided to establish the Internal Investigation Committee chaired by outside experts (lawyers) , who are familiar with the work of the investigation committee at companies and have no conflict of interest in us, with the aim of conducting more objective and specialized investigations into the facts concerning the suspected violation of Immigration Control Law, which is the subject of the prosecution, and to investigate the cause of the case and propose measures to prevent its recurrence.

3. Composition of the Internal Investigation Committee

Chairman: Makoto Saito (Attorney at Lawyer Corporation Saito Law Office)

Member: Masato Tanimura (Outside Director, Audit and Supervisory Committee Member, Attorney)

Member: Mikio Imura (Director, Audit and Supervisory Committee Member)

4. Establishment of Internal Investigation Committee

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5. Future Actions

Our Group will fully cooperate to ensure that investigations conducted by the Internal Investigation Committee should be effective, transparent, and prompt. We will disclose the survey results as soon as we receive them.

As disclosed today in the "Notice Regarding Business Withdrawal and Partial Transfer of Our Subsidiary", SOCIALINK has been decided to withdraw from all of its businesses after transferring some of its businesses to an outside company engaged in the same business.

Note: This English translation is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.