

March 15, 2021

Company Name: Warabeya Nichiyo Holdings Co., Ltd.
Representative: Hiroyuki Otomo, Representative Director, President
(Securities code: 2918, Tokyo Stock Exchange First Section)
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Notice of the Receipt of Investigation Report from Internal Investigation Committee

As stated in the release of “Notice of Establishment of Internal Investigation Committee” announced on January 18, 2021, the Internal Investigation Committee has been investigating the incident in which our consolidated subsidiary SOCIALINK CO., LTD. (hereinafter “SOCIALINK”) was indicted on December 28, 2020, by the Chiba District Public Prosecutors Office on suspicion of violation of the Immigration Control and Refugee Recognition Law (hereinafter “Immigration Control Law”).

As we have received the Internal Investigation Committee’s investigation report, we make the following announcement.

In conjunction with this, we also announce that SOCIALINK was found guilty of violating the Immigration Control Law (Article 73-2, Paragraph (1) (i): Making Foreign Nationals Engage in Illegal Works) and fined ¥2 million on February 2, 2021.

1. Investigation results of Internal Investigation Committee

As the investigation results of the Internal Investigation Committee have not been translated into English, please refer to the material disclosed in Japanese.

2. Clarification of cause and measures to prevent recurrence

The investigation results of the Internal Investigation Committee provide the results of the investigation into the facts related to the case and the possible causes, along with recommendations concerning recurrence prevention. Taking this investigation report and its recommendations very seriously, our group is working to establish prompt and effective concrete measures to prevent recurrence.

Upon finalization of these concrete measures for recurrence prevention and measures to strengthen the Group’s governance system, we will promptly announce of the result.

3. Disciplinary action for persons involved

SOCIALINK takes these investigation results and the fact of being found guilty by the court very seriously, and has taken strict disciplinary actions, including punitive dismissals against the persons involved.

For the executive officers with management responsibility at our company, which is the Group’s holding company, please refer to the release, “Notice of the Reduction of Company Officers’ Remuneration”, announced today.

4. Impact on future financial results

As stated in the release, “Notice Regarding Business Withdrawal and Partial Business Transfer of Our Subsidiary”, announced on January 18, 2021, we completed a transfer of part of SOCIALINK’s business on March 1, 2021. We further plan to withdraw from the remaining business as well on June 1, 2021.

Part of the costs associated with the business withdrawal were recorded in the fiscal year ended February 28, 2021, but the impact on the financial results is immaterial.

We once again sincerely apologize to all concerned, including our shareholders, investors and our business partners, for the much concern and inconvenience caused by this incident.

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.