



February 14, 2020

To whom it may concern:

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

Notice regarding a further change to the financial statement release date

Net One Systems Co., Ltd. (“Net One Systems”) hereby announces that it has made a further change to the financial statement release date that was changed to February 13, 2020, as announced in the “Notice regarding a change to the financial statement release date” on January 21, 2020, for the reasons given below.

1. Reasons for further change to the financial statement release date

As indicated in the “Notice regarding a change to the financial statement release date” released on January 21, 2020, Net One Systems, having been informed by the National Tax Agency that it was unable, through a tax inquiry, to confirm that Net One Systems actually made deliveries in connection with one of its transactions (“the incident”), established a special investigative committee to conduct an investigation. We announced a change to the financial statement release date for the third quarter of the fiscal year ending March 31, 2020 to February 13, 2020, because we expected that it would take some time before we receive the results of the investigation.

The special investigative committee conducted hearings of concerned parties, as well as analysis and review of documents provided by Net One Systems, cooperating business partners, and others. As a result, the committee was able to determine whether or not fraudulent acts related to the incident (“these acts”) had occurred, the nature of these acts, and their impact on Net One Systems’ consolidated financial statements.

However, as stated in the “Notice regarding filing of application to extend submission deadline of securities report for third quarter of the fiscal year ending March 31, 2020” released today, Net One Systems has been forced to postpone again the financial statement release date for the third quarter of the fiscal year ending March 31, 2020. This is because of the substantial workload the investigation required due to the significant numbers of employees and business partners of Net One Systems who were involved in these acts; the considerable length of time over which these acts had been taking place; and arranging and conducting of hearings that took the committee longer than expected, as further time and workload were required for additional investigations and causal analysis based on the results of the hearings. As well, the investigation uncovered illegal cost transfer transactions similar to these acts, which required additional investigation of direct transactions from 2008 onward with the companies suspected of taking part in these acts, including hearings and digital forensic investigation of concerned parties of any further illegal acts uncovered.

2. Outlook

As stated in the “Notice regarding approval of application to extend submission deadline of securities report for the third quarter of the fiscal year ending March 31, 2020” released today, Net One Systems decided to apply for an extension of the submission deadline of its securities report for the third quarter of the fiscal year ending March 31, 2020 and filed an application with the Kanto Local Finance Bureau today. The submission deadline of the securities report for the third quarter of the fiscal year ending March 31, 2020 will be extended to March 13, 2020 if the application is approved. Net One Systems will make a concerted effort to release its

financial statement for the third quarter of the fiscal year ending March 31, 2020 by this date.