

[Translation]



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To whom it may concern:

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### **View of the Company on the Proposing Shareholder's Arguments Concerning the Company's Press Release**

The Proposing Shareholder (Oasis Investments II Master Fund Ltd.) partially made untrue arguments this time in connection with the Company's "Notice on Agendas for Discussion for the Extraordinary General Meeting of Shareholders and Opinion of the Board of Directors of the Company about Shareholder Proposals" dated March 9, 2020 (hereinafter referred to as the "Press Release dated March 9"), on the Proposing Shareholder's website on which it requested to convene the Company's extraordinary general meeting of shareholders; therefore, the Company makes corrections as follows and provides the Company's views on the Proposing Shareholder's arguments:

#### **Particulars**

1. There is nothing indicating that the Company concealed that the Proposing Shareholder replied by the response deadline and made a false disclosure.

The Proposing Shareholder argues that the Company concealed that the Proposing Shareholder replied by the response deadline and made a false disclosure, but there is nothing to support that.

The Company earnestly considered the opinions announced in the Proposing Shareholder's written request to convene the extraordinary general meeting of shareholders and its website, and sent a questionnaire in order to clarify the points regarding which the Company thought that further confirmation with the Proposing Shareholder was required. However, the Company has only obtained abstract replies from the Proposing Shareholder, which are no more than repetition of the previous arguments.

In addition, as announced on pp. 35-36 of the Press Release dated March 9, regarding Mr. Yakov Zlichka and Mr. Yaniv Vardi, who are nominated as director candidates in the Proposing Shareholder proposals, the Company requested that the Proposing Shareholder (conduct an interview or) submit a letter in which the Company can confirm their personality and their purpose regarding the Company's management. However, the Company only received from the Proposing Shareholder a very short letter with stereotyped content, stating that the director candidates would be committed to performing their duties as directors to protect and grow the medium- to long-term corporate value of the Company when each candidate is elected, and it was insufficient for the Company to decide whether both persons are competent as directors. In addition, the Proposing Shareholder did not refer to the conduct of the interview and the reply to the effect that it agreed to submit a more detailed letter with content requested by the Company.

In consideration of the above results, the Company is explaining to shareholders the Proposing Shareholder's replies and that the Company has not received specific replies (regarding matters requested by the Company) or has not received any replies to the effect that the Proposing Shareholder agrees to submit a letter (with the content requested by the Company); furthermore, the Company never made any false disclosure stating that the Company has not physically received any replies or letters from the Proposing Shareholder.

The Company will make sustained efforts to make disclosure in a timely and appropriate manner.

The Proposing Shareholder referred to the Company sending a questionnaire to the Proposing Shareholder after more than six weeks had passed since the request to convene the extraordinary general meeting of shareholders by the Proposing Shareholder, and stated as if the Company had not earnestly acted in the shareholders' interests. However, since the Proposing Shareholder exercised its right to request to convene an extraordinary general meeting of shareholders on January 23, the Company has proceeded with the preparation by using as many resources as possible so that the Company can hold an extraordinary general meeting of shareholders immediately, although it was during the period when it was busy conducting ordinary business, such as settlement of accounts; therefore, the Company would like to add that the above criticism is very unreasonable.

2. Mr. Masanori Yamaguchi and Mr. Yasushi Yamamoto are playing important roles in the management of Cellebrite.

As explained in the Press Release dated March 9, Mr. Masanori Yamaguchi (hereinafter referred to as "Mr. Yamaguchi") and Mr. Yasushi Yamamoto (hereinafter referred to as "Mr. Yamamoto"), who are directors of the Company, are playing important roles in the management of Cellebrite DI Ltd., the Company's subsidiary (hereinafter referred to as "Cellebrite"). Since Cellebrite became our consolidated subsidiary in 2007, Mr. Yamaguchi has been steadily growing Cellebrite while engaged in its management and administration for a long time; furthermore, Mr. Yamamoto is engaged in the management of Cellebrite as its director and has been contributing to promotion of the mobile data solutions business, including our alliance with Cellebrite.

The Proposing Shareholder argues that our explanation above is contrary to the facts because Mr. Yamaguchi and Mr. Yamamoto are not introduced on Cellebrite's website. However, whether or not they are introduced on Cellebrite's website has nothing to do with their contribution to its management; therefore, we think that the Proposing Shareholder's argument is unreasonable.

3. Our corporate value has not been damaged by any third-party allotment of Cellebrite shares and issuance of our convertible bonds with warrants.

The Proposing Shareholder argues that our corporate value has been damaged for the following reasons: (i) a third-party allotment carried out by Cellebrite in July 2019; and (ii) the issuance of our convertible bonds with warrants and warrants during the period from the end of 2019 to the beginning of 2020; however, as announced in the Press Release dated March 9, no such fact exists. After carefully considering the necessity of financing to implement (i) and (ii) above, the Company selects partners in an appropriate manner and determines the issuing price based on an objective appraisal by a third-party institution. Therefore, there is nothing indicating that the Company's corporate value has been damaged by implementing (i) and (ii) above.

4. Our current directors are playing important roles in the implementation of strategies for the Company's business recovery, while director candidates nominated in the Shareholder Proposals by the Proposing Shareholder are unqualified to resolve the Company's current issues.

The Proposing Shareholder argues that our directors are not necessary for the Company's business recovery and that director candidates proposed by the Proposing Shareholder increase our medium- to long-term corporate value. However, our directors demanded in the Shareholder Proposals to be dismissed are playing important roles in the implementation of strategies for the Company's business recovery. On the other hand, as announced in the Press

Release dated March 9, director candidates nominated in the Shareholder Proposals by the Proposing Shareholder are unqualified to resolve the Company's current issues. The directors demanded to be dismissed are expected to contribute to the Company's business recovery through individual and specific skills, know-how, personal connections, and other factors that they have been cultivating during their previous work; furthermore, if director candidates proposed by the Company are elected in addition to the Company's present directors, the composition of the Company's board of directors covers all the well-balanced skills necessary for each of our businesses. On the other hand, if directors demanded to be dismissed are dismissed and director candidates nominated in the Shareholder Proposals by the Proposing Shareholder are elected, it is obvious that it is impossible to form a board of directors that can resolve our current Company management issues. For example, it is assumed that the oversight ability of our flagship business will be lacking or insufficient.

The Proposing Shareholder argues as if no current directors have experience in reforming our unprofitable divisions; however, the Nomination Advisory Committee of the Company merely pointed out that the Company "lacks" (i.e., is short of) a person with such experience to the effect that the Company needs more directors with experience in reforming our unprofitable divisions for the Company's business recovery. We would like to add that we disagree that the current directors have no such experience.

We would like to ask each of the shareholders to agree to the opinion of the Company's board of directors stated in the Press Release dated March 9 (or the Notice of Convening Extraordinary General Meeting of Shareholders) and to support the Company's proposals (proposed by the Company).

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