



February 12, 2016

Press Release

Company Name: WirelessGate, Inc.

(Code 9419: Mothers)

Location: 5F Tennozu Yusen Bldg.,  
2-2-20 Higashi Shinagawa, Shinagawa-ku, Tokyo

Representative: Takehiro Ikeda,

Founder and CEO

Inquiries: Naoki Sunaga,

CIRO and Member of the Board,

Corporate Officer

Head of Investor Relations Department

Phone: 03-6433-2045

## **Notice Regarding Partial Revision of the Articles of Incorporation**

WirelessGate announces that at the meeting of its Board of Directors held earlier today, it adopted a resolution to refer a proposal on the partial revision of the Articles of Incorporation to its 12<sup>th</sup> Annual Shareholders Meeting that is due to take place on March 25, 2016.

Executive appointments accompanying this move are also announced today in a separate press release entitled “Notice Regarding Executive Appointments after the Transition to a Company with an Audit and Supervisory Committee Governance Structure.”

### **1. Purpose of Revision of the Articles of Incorporation**

- (1) Following the Act for Partial Amendment of the Companies Act (Act No. 90 of 2014) that came into force on May 1, 2015, a system of a company with an audit and supervisory committee was introduced as a new organizational design. As separately announced in the press release dated November 6, 2015 entitled “Notice Concerning the Transition to a Company with an Audit and Supervisory Committee Governance Structure,” WirelessGate resolved to make a transition from a company with a board of company auditors to a company with an audit and supervisory committee governance structure on the condition that it is approved at its 12th Annual Shareholders Meeting scheduled for March 25, 2016 in order to step up the auditing and supervisory functions of the Board of Directors and the corporate governance structure. Accordingly, the revision will make the changes necessary for this transition, including the addition of provisions for directors as members of the audit and supervisory committee and for the committee itself, and the deletion of provisions for company auditors and for the board of company auditors.
- (2) As the amendment of the Companies Act mentioned above changed the scope of the officers allowed to execute agreements limiting liability, the revision will change paragraph 2 of Article 24 of the existing Articles of Incorporation to enable the execution of such agreements with non-executive directors so that WirelessGate will continue to attract human resources who are competent as directors.
- (3) The revision will make the other necessary changes in association with the changes mentioned above.

2. Details of the Revision of the Articles of Incorporation

The revision involves the changes specified below.

(The underlined parts reflect the changes.)

| Existing Articles of Incorporation   | Proposed Revision   |
|--|---|
| <p style="text-align: center;">Chapter 1: General Provisions</p> <p>Articles 1 to 3 &lt;Provisions omitted&gt;</p> <p>Article 4: Organization<br/>The Company shall establish the organizations specified below in addition to the General Shareholders Meeting and Directors.</p> <p>(1) The Board of Directors<br/>(2) <u>Company Auditors</u><br/>(3) <u>The Board of Company Auditors</u><br/>(4) Accounting Auditors</p> <p>Article 5 &lt;Provision omitted&gt;</p> | <p style="text-align: center;">Chapter 1: General Provisions</p> <p>Articles 1 to 3 &lt;Not Revised&gt;</p> <p>Article 4: Organization<br/>The Company shall establish the organizations specified below in addition to the General Shareholders Meeting and Directors.</p> <p>(1) The Board of Directors<br/>(2) <u>The Audit and Supervisory Committee</u><br/>&lt;Deleted&gt;<br/>(3) Accounting Auditors</p> <p>Article 5 &lt;Not Revised&gt;</p> |
| <p style="text-align: center;">Chapter 2: Shares</p> <p>Articles 6 to 12 &lt;Provisions omitted&gt;</p>  | <p style="text-align: center;">Chapter 2: Shares</p> <p>Articles 6 to 12 &lt;Not Revised&gt;</p>  |
| <p style="text-align: center;">Chapter 3: General Shareholders Meeting</p> <p>Articles 13 to 18 &lt;Provisions omitted&gt;</p>   | <p style="text-align: center;">Chapter 3: General Shareholders Meeting</p> <p>Articles 13 to 18 &lt;Not Revised&gt;</p>   |
| <p style="text-align: center;">Chapter 4: Directors and the Board of Directors</p> <p>Article 19: Number<br/>The Company shall have a maximum of seven Directors.</p> <p style="text-align: center;">&lt;Newly Established&gt;</p>   | <p style="text-align: center;">Chapter 4: Directors and the Board of Directors</p> <p>Article 19: Number<br/><u>1. The Company shall have a maximum of seven Directors, excluding those Directors who serve as members of the Audit and Supervisory Committee.</u><br/><u>2. The Company shall have a maximum of four Directors serving as members of the Audit and Supervisory Committee.</u></p>  |
| <p>Article 20: Election<br/>1. <u>A resolution</u> of the election of Directors shall be <u>adopted</u> at a General Shareholders Meeting session attended by shareholders holding at least one third of the voting rights of those entitled to exercise</p>   | <p>Article 20: Election<br/>1. The election of Directors shall be carried out <u>in a manner that separates those serving as members of the Audit and Supervisory Committee from the other Directors</u> and at a General Shareholders</p>  |

| Existing Articles of Incorporation   | Proposed Revision  |
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| <p>them by a majority of their voting rights.</p> <p>2. &lt;Provision omitted&gt;</p> <p>Article 21: Term of Office</p> <p>The term of office of a Director shall expire at the close of the final Annual Shareholders Meeting in the business year that ends within one year after the election.</p> <p style="text-align: center;">&lt;Newly Established&gt;</p> <p style="text-align: center;">&lt;Newly Established&gt;</p> <p style="text-align: center;">&lt;Newly Established&gt;</p> <p>Article 22: Representative Directors and Directors with Portfolio</p> <p>1. The Board of Directors shall select a limited number of Representative Directors from among the Directors.</p> <p>2. &lt;Provision omitted&gt;</p> | <p>Meeting session attended by shareholders holding at least one third of the voting rights of those entitled to exercise them by a majority of their voting rights.</p> <p>2. &lt;Not Revised&gt;</p> <p>Article 21: Term of Office</p> <p><u>1. The term of office of a Director, except any Director serving as a member of the Audit and Supervisory Committee, shall expire at the close of the final Annual Shareholders Meeting in the business year that ends within one year after the election.</u></p> <p><u>2. The term of office of a Director serving as a member of the Audit and Supervisory Committee shall expire at the close of the final Annual Shareholders Meeting in the business year that ends within two years after the election.</u></p> <p><u>3. The term of office of a Director serving as a member of the Audit and Supervisory Committee elected to fill the vacancy of a retired Director serving as a member of the Audit and Supervisory Committee shall expire at the expiration of the term of office of the retired Director serving as a member of the Audit and Supervisory Committee.</u></p> <p><u>4. The effect of the resolution on the election of a supplementary Director serving as a member of the Audit and Supervisory Committee shall expire at the beginning of the final Annual Shareholders Meeting in the business year that ends within two years after the General Shareholders Meeting session that adopted the resolution.</u></p> <p>Article 22: Representative Directors and Directors with Portfolio</p> <p>1. The Board of Directors shall select a limited number of Representative Directors from among the Directors, <u>excluding those serving as members of the Audit and Supervisory Committee.</u></p> <p>2. &lt;Not Revised&gt;</p> |

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| <p>Article 23: The Board of Directors</p> <p>1. &lt;Provision omitted&gt;</p> <p>2. The notice of convocation of a Board of Directors meeting shall be issued to individual Directors <u>and Company Auditors</u> not later than three days before the date of the meeting; provided, however, that this period may be shortened in the event of an emergency.</p> <p>3. &lt;Provision omitted&gt;</p> <p style="padding-left: 40px;">&lt;Newly Established&gt;</p> <p>4. &lt;Provision omitted&gt;</p> | <p>Article 23: The Board of Directors</p> <p>1. &lt;Not Revised&gt;</p> <p>2. The notice of convocation of a Board of Directors meeting shall be issued to individual Directors not later than three days before the date of the meeting; provided, however, that this period may be shortened in the event of an emergency.</p> <p>3. &lt;Not Revised&gt;</p> <p>4. <u>In accordance with the provision in paragraph (6) of Article 399-13 of the Companies Act, the Board of Directors may delete all or part of decisions on the execution of important operations (excluding the matters listed in items of paragraph (5) of the said article) to delegated Directors by its resolution.</u></p> <p>5. &lt;Not Revised&gt;</p> |
| <p>Article 24: Exemption of Directors from Liability</p> <p>1. &lt;Provision omitted&gt;</p> <p>2. In accordance with the provision in paragraph (1) of Article 427 of the Companies Act, the Company may execute agreements with <u>outside directors</u> to limit their liability for damages arising from negligence in performing their duties; provided, however, that the limit of their liability thereunder shall be the amount of the minimum liability stipulated by laws and ordinances.</p> | <p>Article 24: Exemption of Directors from Liability</p> <p>1. &lt;Not Revised&gt;</p> <p>2. In accordance with the provision in paragraph (1) of Article 427 of the Companies Act, the Company may execute agreements with <u>Directors, excluding Executive Directors and the equivalent</u>, to limit their liability for damages arising from negligence in performing their duties; provided, however, that the limit of their liability hereunder shall be the amount of the minimum liability stipulated by laws and ordinances.</p>  |
| <p style="text-align: center;"><u>Chapter 5: Company Auditors and the Board of Company Auditors</u></p>   | <p style="text-align: center;">&lt;Deleted&gt;</p>   |
| <p><u>Article 25: Number</u></p> <p><u>The Company shall have a maximum of four Company Auditors.</u></p>   | <p style="text-align: center;">&lt;Deleted&gt;</p>   |
| <p><u>Article 26: Election</u></p> <p><u>A resolution of the election of Company Auditors shall be adopted at a General Shareholders Meeting session attended by shareholders holding at least one third of the voting rights of those entitled to exercise them by a majority of their voting rights.</u></p>  | <p style="text-align: center;">&lt;Deleted&gt;</p>   |

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| <p><u>Article 27: Term of Office</u></p> <p><u>1. The term of office of a Company Auditor shall expire at the close of the final Annual Shareholders Meeting in the business year that ends within four years after the election.</u></p> <p><u>2. The term of office of a Company Auditor elected to fill the vacancy of a retired Company Auditor shall expire at the expiration of the term of office of the retired Company Auditor.</u></p>   | <p>&lt;Deleted&gt;</p> |
| <p><u>Article 28: Full-Time Company Auditors</u></p> <p><u>The Board of Company Auditors shall elect Full-Time Company Auditors by its resolution.</u></p>   | <p>&lt;Deleted&gt;</p> |
| <p><u>Article 29: The Board of Company Auditors</u></p> <p><u>1. The notice of convocation of a Board of Company Auditors meeting shall be issued to individual Company Auditors not later than three days before the date of the meeting; provided, however, that this period may be shortened in the event of an emergency.</u></p> <p><u>2. Operations and other matters of the Board of Company Auditors shall be governed by the Rules of the Board of Company Auditors established by the Board of Company Auditors.</u></p>   | <p>&lt;Deleted&gt;</p> |
| <p><u>Article 30: Exemption of Company Auditors from Liability</u></p> <p><u>1. In accordance with the provision in paragraph (1) of Article 426 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt any Company Auditor, including anyone who has served as a Company Auditor, from liability for damages arising from negligence in performing his or her duties to the extent stipulated by laws and ordinances.</u></p> <p><u>2. In accordance with the provision in paragraph (1) of Article 427 of the Companies Act, the Company may execute agreements with Company Auditors to limit their liability for damages arising from negligence in performing their duties; provided, however, that the limit of their liability thereunder</u></p> | <p>&lt;Deleted&gt;</p> |

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| <p><u>shall be the amount of the minimum liability stipulated by laws and ordinances.</u></p> <p>&lt;Newly Established&gt;</p> <p>&lt;Newly Established&gt;</p> <p>&lt;Newly Established&gt;</p> <p>Article 6: Accounting Auditors</p> <p>Articles <u>31</u> to <u>32</u> &lt;Provisions omitted&gt;</p> <p>Article 7: Accounting</p> <p>Articles <u>33</u> to <u>36</u> &lt;Provisions omitted&gt;</p> <p>&lt;Newly Established&gt;</p> <p>&lt;Newly Established&gt;</p> | <p><u>Chapter 5: The Audit and Supervisory Committee</u></p> <p><u>Article 25: The Audit and Supervisory Committee</u></p> <p><u>1. The notice of convocation of an Audit and Supervisory Committee meeting shall be issued to each member not later than three days before the date of the meeting; provided, however, that this period may be shortened in the event of an emergency.</u></p> <p><u>2. Operations and other matters of the Audit and Supervisory Committee shall be governed by the Rules of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.</u></p> <p><u>Article 26: Full-Time Members of the Audit and Supervisory Committee</u></p> <p><u>The Audit and Supervisory Committee may elect full-time members by its resolution.</u></p> <p>Chapter 6: Accounting Auditors</p> <p>Articles <u>27</u> to <u>28</u> &lt;Not Revised&gt;</p> <p>Article 7: Accounting</p> <p>Articles <u>29</u> to <u>32</u> &lt;Not Revised&gt;</p> <p><u>Supplementary Provision</u></p> <p><u>Article 1: Transitional Measures Concerning Exemption of Company Auditors from Liability</u></p> <p><u>In accordance with the provision in paragraph (1) of Article 426 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt any Company Auditor, including anyone who served as a Company Auditor, from liability for damages arising from negligence in performing his or her duties with</u></p> |

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|                                    | <u>respect to the act before the close of the Company's 12<sup>th</sup> Annual Shareholders Meeting to the extent stipulated by laws and ordinances.</u> |

3. Schedule (planned)

Date of holding the General Shareholders Meeting for the revision of the Articles of Incorporation: Friday, March 25, 2016

Effective date of the revision of the Articles of Incorporation: Friday, March 25, 2016