



January 14, 2025

MIXI, Inc.

Representative: Koki Kimura

(President, Representative Director,
Senior Corporate Officer, CEO)

Code: 2121 (TSE Prime Market)

Inquiries: Kohei Shimamura

(Senior Corporate Officer, CFO)

Phone: +81-3-6897-9500

Notice Regarding Reoccurrence Prevention Measures and Voluntary Return of Director Compensation

As stated in "Notice of Receipt of Investigation Team's Investigation Report, etc." released on December 26, 2024, we have received an investigation report from the investigation team and have been examining measures to prevent reoccurrence. Based on this examination, the Company has formulated measures to prevent reoccurrence and currently is implementing said measures.

Once again, we deeply apologize to our shareholders, investors, and other affected parties for any inconvenience and concern this may have caused. We take this matter very seriously and are working hard to promptly implement measures to prevent reoccurrence and to restore confidence in our company.

In addition, with the intent of taking this incident seriously as well as taking thorough measures to prevent reoccurrence, we hereby announce that the Company has received an offer from a director to voluntarily return a portion of their compensation.

1. Investigation Results and Cause Analysis

As a result of the investigation, this incident was judged to be a case of misconduct involving a former officer and former employee of a subsidiary of the Company, with no systemic misconduct found in the Company. However, the Company has determined that there were certain deficiencies in our misconduct prevention measures and in our monitoring system, and that we were unable to prevent this incident or detect it at an early stage due to the following reasons.

- 1) Lack of compliance awareness
- 2) High-value transactions with small service providers

- 3) Opaque handling of specific service providers
- 4) Insufficient governance regarding transactions with service providers
- 5) Lack of fully functioning internal audit system at Chariloto
- 6) Problems in MIXI Group's subsidiary management

2. Overview of Reoccurrence Prevention Measures

Based on the cause analysis described above in item 1., the Company has decided to take the following measures to prevent reoccurrence.

1) Improve awareness among officers and employees

- i. Foster compliance awareness through messages sent by top management
- ii. Conduct misconduct prevention training for MIXI, its subsidiaries, etc.
- iii. Establish guidelines of conduct specific to Chariloto
- iv. Establish a compliance committee at Chariloto to perform activities such as examining compliance policies/measures
- v. Dismissal or disciplinary dismissal of the officer and employee who committed misconduct, as well as dissemination of the details of the disciplinary action
- vi. Explicitly require a high level of compliance awareness as a criterion for the appointment of officers at key subsidiaries

2) Review of subsidiary governance within the Group

- i. When appointing directors and company auditors of key subsidiaries, stipulate that appointees must possess sufficient knowledge of corporate law, finance, and other relevant matters. During the appointment of directors, information regarding appointees' investments, secondary employment, and other relevant matters will be reviewed and subsequently monitored
- ii. Expand the scope of duties of company auditors at key subsidiaries to include the auditing of executive decisions. In addition, company auditors will be required to prepare an annual audit plan and submit it to MIXI's chief general manager in charge of compliance
- iii. Regularly hold information-sharing gatherings attended by auditors of subsidiaries and MIXI's chief general manager in charge of compliance and chief general manager in charge of management of subsidiaries
- iv. Clarify the response system when risks are detected at subsidiaries
- v. Call on all officers and employees of the Group to actively use the internal reporting system and bring awareness to it
- vi. Regularly survey and interview Chariloto officers and employees regarding misconduct

- 3) Increase transparency of relationships with business partners
 - i. Chariloto required to record meetings with business partners
 - ii. Chariloto to change to a system where multiple people take turns being in charge of business relationships

- 4) Strengthen governance related to business partners
 - a) Establish a screening department within Chariloto, which will screen and manage the selection of vendors
 - ii. Create/revise Chariloto's regulations regarding the conclusion of contracts, changes in terms and conditions, secondary employment, etc.
 - iii. Within Chariloto, create contracts in a thorough manner, review existing contracts, and take action as necessary, such as to terminate contracts or change terms and conditions

- 5) Restructure internal auditing systems
 - i. Rearrange Chariloto's Internal Audit Division to report directly to the Board of Directors instead of the President, increase the number of Internal Audit Division members, and review their operations

3. Implementation of Reoccurrence Prevention Measures and Monitoring

MIXI and Chariloto will steadily undergo improvements beginning in January 2025. In addition, MIXI's Corporate Planning Division will report progress to the Board of Directors and others as appropriate and conduct monitoring suitably.

4. Partial Voluntary Return of Director Compensation

Koki Kimura (President, Representative Director, Senior Corporate Officer, CEO)
30% of monthly base compensation (for 3 months)