



May 9, 2016

Press Release

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Notice Regarding the Establishment of the WirelessGate Corporate Governance Basic Policy

The Company, at its Board of Directors meeting held on May 9, 2016, adopted a resolution to establish the WirelessGate Corporate Governance Basic Policy (the “Basic Policy”). The details of the Basic Policy are as follows.

1. Reasons for the establishment

The Company has established the Basic Policy with the aim of further enhancing corporate governance by presenting its basic concept and framework of corporate governance to the shareholders and other stakeholders. It will do this in light of the objectives of Japan’s Corporate Governance Code that has been applied to listed companies since June 2015.

2. Basic concept regarding corporate governance

The Company believes that the basic purpose of corporate governance is to stably increase corporate value, while ensuring the soundness and improving the transparency of management with a shareholder-oriented standpoint.

In addition, the Company give the utmost importance to carrying out management with an eye on value creation through proper cooperation with various stakeholders, such as shareholders and investors as well as employees and business partners. At the same time, it strives to enhance the corporate value over the medium to long term, with the aim of contributing widely to society.

Accordingly, the Company has set out the following as its most important policies for management: pursuing improvement of financial soundness, developing a disclosure system that complies with the timely disclosure rules, and allowing the Board of Directors to perform effective supervisory functions over business execution under the organizational structure of company with the audit and supervisory committee. In order to ensure that the corporate governance will increase in effectiveness, the Company will also work to reinforce the internal control system and the administration department and seek to raise, and firmly establish, the awareness of compliance across the Company.

3. Structure of the Basic Policy

The Basic Policy sets forth the Company's basic concept and measures for corporate governance, and comprises the following items.

Chapter 1	General Provisions	Basic Concept Regarding Corporate Governance
Chapter 2	Securing the Rights and Equal Treatment of Shareholders	
Chapter 3	Appropriate Cooperation with Stakeholders	
Chapter 4	Ensuring Appropriate Information Disclosure and Transparency	
Chapter 5	Responsibilities of the Board of Directors, etc.	
Chapter 6	Dialogue with Shareholders	

By complying with the Basic Policy, the Company will seek to gain acclaim of stakeholders, including shareholders and investors, and achieve sustainable growth and further increase the corporate value over the medium to long term.

For the details, please refer to the attached "WirelessGate Corporate Governance Basic Policy." The Basic Policy will be available on the Company's website at the following URL:

<http://www.wirelessgate.co.jp/investors/index.html>

In addition, the Company will submit the Corporate Governance Report, which includes measures for corporate governance to be implemented based on the Basic Policy, to the Tokyo Stock Exchange immediately or in the near future.

WirelessGate, Inc.

Corporate Governance Basic Policy

Established on May 9, 2016

Chapter 1 General Provisions

Article 1 (Basic Concept Regarding Corporate Governance) [Principle 3-1(ii)]

The Company believes that the basic purpose of corporate governance is to stably increase corporate value, while ensuring the soundness and improving the transparency of management with a shareholder-oriented standpoint.

In addition, the Company gives the utmost importance to carrying out management with an eye on value creation through proper cooperation with various stakeholders, such as shareholders and investors as well as employees and business partners. At the same time, it strives to enhance the corporate value over the medium to long term, with the aim of contributing widely to society.

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Chapter 2 Securing the Rights and Equal Treatment of Shareholders

Article 2 (General Meeting of Shareholders) [Principle 1-2, Supplementary principle 1-2-2,3,4]

The Company will establish an appropriate environment for the exercise of voting rights at the General Meeting of Shareholders by means such as determining the date of the general meeting of shareholders properly, sending convening notices for the General Meeting of Shareholders one week earlier than the statutory deadline and posting convening notices on the websites of the Company and the Tokyo Stock Exchange before they are sent out by post, and adopting the use of the Electronic Voting Platform.

Article 3 (Securing the Rights of Shareholders) [Principle 1-1]

The Company will endeavor to proactively disclose information and establish various rules necessary for the exercise of voting rights by shareholders to substantially ensure the rights of shareholders, including the voting rights at the General Meeting of Shareholders.

Article 4 (Capital Policy) [Principle 1-3]

The Company has set out the basic policy for capital policy of bringing about an increase in corporate value over the medium to long term in comprehensive consideration of the balance between financial soundness, capital efficiency and shareholder returns. With regard to shareholder returns, the Company will examine measures, such as continuous and stable dividend payment and acquisition of treasury shares, which are appropriate for the circumstances, whether the Company is in a growth investment phase or stable growth phase, etc. In addition, the Company will give comprehensive consideration to the balance between financial soundness (capital adequacy ratio), capital efficiency (ROE) and shareholder returns (DOE) with an eye on increasing corporate value over the medium to long term.

Article 5 (Policy Regarding Cross-Shareholdings) [Principle 1-4]

- 1 The Company may acquire and hold shares of business partners, etc., if doing so is deemed to contribute to increasing the Company's corporate value over the medium to long term. This will be done from the viewpoint of developing stable and long-term business transaction relationships with business partners and facilitating and strengthening business alliances, licensing of technology or development of collaborative business. Of the shares held under the cross-shareholding scheme, the Company will report and examine the effect, etc. of major cross-shareholdings from the viewpoints of medium- to long-term economic rationale and maintaining and strengthening the overall relationship with business partners at the Board of Directors meeting.
- 2 With regard to the voting rights as to cross-shareholdings, the Company will determine whether to approve or reject proposals upon careful examination of each item. It will examine regarding whether the proposal would contribute to increasing the corporate value of relevant corporations or whether it could possibly result in impairment of shareholder value.

Article 6 (Related Party Transactions) [Principle 1-7]

When the Company engages in conflict-of-interest transactions with its directors, it obtains approval and confirmation at the Board of Directors, etc. in accordance with the provisions of laws and regulations. When the Company engages in transactions with its major shareholders, it makes a decision upon confirming that such transactions will be conducted on terms equivalent to general transaction terms.

Chapter 3 Appropriate Cooperation with Stakeholders

Article 7 (Management Philosophy) [Principle 2-1, 3-1(i)]

The management philosophy of the Company is "aiming to achieve a society full of creativity through wireless broadband services." Working in line with this philosophy, the Company will carry out management based on value creation for various stakeholders and aim to improve corporate value over the medium to long term.

Article 8 (Code of Conduct) [Principle 2-2]

The Company will establish the WirelessGate Group Code of Conduct, which sets forth the basic principles of conduct for all its directors and employees, to promote appropriate cooperation with its stakeholders. The WirelessGate Group Code of Conduct will be posted to the Intranet and disseminated across the Company by other means, such as via in-house training, where appropriate.

Chapter 4 Ensuring Appropriate Information Disclosure and Transparency

Article 9 (Information Disclosure) [Basic principle 3, 4-1-2, 5-2]

- 1 The Company will disclose information appropriately in compliance with the relevant laws and regulations on financial information, such as financial standing and operating results, and non-financial information, such as business strategies and business issues, risk and governance. The Company will also voluntarily work on disclosing information whose disclosure is not required by the relevant laws and regulations so that the information made available is clear and highly useful.
- 2 The Company's basic policy for information disclosure is to do so in a timely, accurate, fair and continuous way based on its IR policy.

In addition, the Company will disclose information in a timely manner in accordance with the relevant laws and regulations on financial instruments and the timely disclosure rules stipulated by the Tokyo Stock Exchange. The Company will also disclose information that does not fall under the scope of the timely disclosure rules if disclosure of such information to shareholders and investors is deemed useful. However, the Company will refrain from giving a reply to inquiries about information disclosure in the event such information disclosure is deemed to harm the common interest of shareholders. Share prices and trading volumes are determined by buying and selling on the market, and therefore the Company will refrain from commenting on such topics even if it is asked to do so from the viewpoint of preventing violation of insider trading regulations.

- 3 The Company will release its medium- to long-term management strategy and forecast of earnings, etc. for each fiscal year to disclose information so that shareholders and investors can have a proper understanding of its management strategy and financial standing, etc.

Chapter 5 Responsibilities of the Board of Directors, etc.

Article 10 (Roles of the Board of Directors) [Basic principle 4, Principle 4-1]

The Board of Directors sets the direction of the corporate strategy, based on which it carries out deliberations and decision-making on important management matters. In addition, the Board of Directors, led by independent outside directors, supervises business execution.

Article 11 (Items for Resolution by the Board of Directors) [Supplementary principle 4-1-1]

The Board of Directors sets detailed and specific criteria for determining items for deliberation and reporting depending on the degree of importance for items requiring decision-making by the Board of Directors. For matters other than items for resolution by the Board of Directors, decision-making will be delegated to approval by the CEO based on approval documents and other decision-making processes. In addition, the Company has established internal regulations for official authorities and division of duties of executive officers and head of departments, and such internal regulations will be revised, where deemed appropriate, in accordance with organizational changes, etc.

Article 12 (Structure of the Board of Directors) [Supplementary principle 4-11-1,2]

- 1 The Company has the basic concept of the Board of Directors to comprise any number of members that is deemed to be appropriate in consideration of the balance of knowledge, experience and ability, etc. each board member has in each business. It sets such number to seven or less for directors stipulated by the Articles of Incorporation (excluding directors who are members of the Audit & Supervisory Committee) and four or less for directors who are members of the Audit & Supervisory Committee.
- 2 Directors will devote time and effort necessary for fulfilling the roles and responsibilities expected of them to business execution or audit and other duties appropriately, and restrict their concurrent holding of positions to within a reasonable range.

Article 13 (Roles and Responsibilities of Independent Outside Directors) [Principle 4-7, 4-8, 4-9, 4-10]

- 1 Independent outside directors of the Company will supervise the performance of duties by directors, express opinions on management policies and plans, etc. and oversee conflict-of-interest transactions with directors, etc., based on the specialized knowledge and extensive experience acquired as corporate managers.
- 2 Based on the independence criteria stipulated by the Tokyo Stock Exchange, the Company will select two or more candidates for independent outside directors who are capable of fulfilling the roles expected of them adequately.
- 3 The Board of Directors will ensure opportunities for independent outside directors to express opinions from an independent standpoint at the Board of Directors meeting. In addition, independent outside directors will participate in the Corporate Governance Meeting, which the Company will set up as a voluntary meeting structure, and get involved in and provide advice, where necessary, on matters of particular importance, such as nomination and remuneration of directors.

Article 14 (Policies and Procedures for Nominating Director Candidates) [Principle 3-1(iv), Supplementary principle 4-3-1]

- 1 Upon nominating candidates for executive directors and directors who are members of the Audit and Supervisory Committee, persons who have extensive experience, deep insights and high levels of expertise eligible to be directors of the Company will be selected.
- 2 With regard to the procedures for nominating director candidates, deliberation, nomination and decision-making will be carried out at the Board of Directors meeting attended by independent outside directors and directors who are members of the Audit and Supervisory Committee.

Article 15 (Policies and Procedures for Remuneration of Directors) [Principle 3-1(iii), Supplementary principle 4-2-1]

- 1 Remuneration of executive directors will consist of basic remuneration and share-based remuneration from the viewpoint of ensuring the link to company performance and value sharing with shareholders. Remuneration of directors who are members of the Audit and Supervisory Committee and independent outside directors will consist solely of basic remuneration in light of their responsibilities.
- 2 The basic remuneration must be reasonable in amount considering the positions and duties of each director.
- 3 The share-based remuneration is intended to increase the members' motivation for contributing to improving company performance and expanding corporate value over the medium to long term. Therefore, the Company will adopt a Stock-granting trust scheme, whereby shares will be granted and cash will be paid based on the share issue points that are granted in proportion to an index, etc. that is linked to the Company's medium- to long-term performance.
- 4 Remuneration of Directors will be deliberated on and decided by the Board of Directors meeting attended by independent outside directors and directors who are members of the Audit and Supervisory Committee. Meanwhile, share-based remuneration will be determined in accordance with the criteria based on the results of discussion at the Corporate Governance Meeting comprising members of the Audit and Supervisory Committee and Representative Director and CEO.

Article 16 (Evaluation of the Effectiveness of the Board of Directors) [Supplementary principle 4-11-3]

The Board of Directors will analyze and evaluate its effectiveness as a whole each year, taking into consideration the self-evaluation of each director, and disclose an overview of the results of such analysis and evaluation appropriately.

Article 17 (Training) [Supplementary principle 4-14-2]

- 1 The Company will provide training with a focus particularly on compliance to directors, when assuming their position, to give them an opportunity to acquire necessary knowledge and understand the roles and responsibilities expected of them.
- 2 The Company will provide information to outside directors on matters, such as the WirelessGate Group's management philosophy, management policy, business activities and organization, with the aim of deepening their understanding about such matters as needed.
- 3 The Company will provide and arrange training opportunities for directors including outside directors to acquire knowledge on matters, such as the Company's business, finance and organization, necessary to fulfill the roles and responsibilities expected of them, and offer support for associated expenses.

Article 18 (Audit and Supervisory Committee) [Principle 4-4, Supplementary principle 4-4-1]

- 1 In addition to performing audits on the legality of the Company's operations, the Audit and Supervisory Committee members will express opinions proactively and make proper judgment from an independent and objective viewpoint at the Board of Directors meeting and other meetings, in order to fulfill audit functions from the aspect of adequacy and efficiency of operations.
- 2 The Audit and Supervisory Committee will appoint full-time Audit and Supervisory Committee members to reinforce the audit system by sharing the information, obtained by leveraging the advanced information-gathering abilities of full-time members, with other directors who are Audit and Supervisory Committee members and independent outside directors.

Article 19 (Financial Auditor) [Principle 3-2]

The Company will endeavor to ensure appropriate audit schedules and audit systems in cooperation with the Audit and Supervisory Committee and relevant departments, including the accounting department, to secure appropriate audits by the financial auditor.

Chapter 6 Dialogue with Shareholders

Article 20 (Dialogue with Shareholders) [Principle 5-1]

The Company has set the following policies concerning the organizational structures and measures aimed at promoting constructive dialogue with shareholders.

- 1 The Company will establish a company-wide cooperative structure for constructive dialogue with shareholders and take appropriate measures based on its IR policies with the aim of gaining the understanding of shareholders on its management strategy, etc.
- 2 The Company will engage in day-to-day dialogue with shareholders based on the information necessary for IR activities and dialogue with shareholders gathered by the Investor Relations Department, led by the Director and CIRO, who is the director in charge of investor relations. In addition, the Director and CIRO, in consideration of internal and external circumstances, decides who engages in dialogue with shareholders where appropriate. Each department as well as officers and employees will respond promptly to a request for information provision.

Each department will endeavor to communicate with other departments on a daily basis to maintain and continue cooperation between departments.

- 3 When engaging in dialogue with investors, caution should be exercised on management of insider information, regardless of whether it is at a financial results briefing meeting or a small meeting, by focusing the dialogue on themes related to the Company's sustainable growth and corporate value enhancement over the medium to long term.
- 4 The Investor Relations Department will proactively conduct investor-relations-related interviews, such as telephone interviews and small meetings with institutional investors. In addition, a financial results briefing meeting will be held biannually, and explanations will be provided there by the Representative Director and CEO, Directors and Executive Officers.
- 5 The Director and CIRO will give feedback on the results of IR activities to the Board of Directors where necessary.