

Disclaimer:

This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information.



March 28, 2018

For Immediate Release

Company name: SOFTBRAIN Co., Ltd.

(Code No: 4779 Tokyo Stock Exchange, First Section)

Representative: Hirofumi Toyoda

President & CEO

Contact Person: Teppei Kinoshita

Director & CFO

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Matters Concerning Controlling Shareholders Etc.

Regarding our company's parent company, Scala, Inc., we wish to inform you of the following matters concerning controlling shareholders etc.

1. Trade names, etc. of the parent company, controlling shareholders (excluding the parent company), or other related companies

(As of December 31, 2017)

Trade name, title, or name	Category	Portion of voting rights held (%)			Financial products exchange etc. where shares issued by the parent company are listed
		Portion directly held	Portion included in aggregation	Total	
Scala, Inc.	Parent company	50.23%	0.00%	50.23%	Tokyo Stock Exchange, Inc. First Section

2. Status of the listed company with regard to the parent company etc.'s corporate group as well as relationships with other listed companies and parent companies etc.

Scala, Inc., current as of December 31, 2017, is the primary shareholder and our company's parent company due to holding a total of 50.23% of our company's voting rights when shares held by Scala, Inc. and its subsidiaries are combined.

Scala Inc.'s purpose of business is the SaaS/ASP business.

Although capital ties are deep, there are no personal connections such as dual directorship positions; decision-making is based on this company's independent managerial judgments, and we believe that the managerial independence appropriate of a listed company is being upheld.

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3. Matters relating to transactions with controlling shareholders etc.

During the fiscal year ended in December 2017, there were no transactions with Scala, Inc.

4. Status of execution of policies concerning protection of minority shareholders when transactions etc. are made with controlling shareholders.

At our company, when transactions occur with controlling shareholders, we fully consider the rationality of the transactions (business necessity) as well as the appropriateness of the transaction conditions as well as the decision policies for said conditions; we plan to respond appropriately to ensure minority shareholders' rights are not unfairly infringed upon.