

April 26th 2020

To students and all related parties

NOVA Co., Ltd.

Company Comment on News Story

Yesterday there was a story in the news relating to work at our online lesson Multimedia Center in Osaka and the working environment there.

To reduce the risk of spreading the virus, we have suspended face-to-lessons in our schools until May 6th, and are providing lessons online. (In some schools, the period is 4/29-5/6)

We are extremely disappointed with the biased and subjective report. Our comment and response are as follows.

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Not supporting teleworking**Making instructors come to work even for online lessons**

The headline of the article is very shocking.

NOVA offers Ochanomaryugaku online lessons from the Osaka MM (Multimedia) Center. In order to ensure the highest quality service, the system, developed by the US company, Vidyo, requires a higher data transmission load than regular networks can support. Further, it is necessary for the Japanese customer support staff and technical support team to coordinate closely with the teaching team to achieve the necessary level of service provision.

As a result, at this point it has been concluded that it is not possible to guarantee the expected level of service with instructors delivering lessons from their homes. However, we are in the process of expanding the lesson provision capability beyond the Osaka MM Center to all of our 300 schools across the country, so that all of our instructors will be able to teach Ochanomaryugaku lessons from locations close to their homes.

The environment in the Osaka Multimedia Center

Lessons are taught from individual teaching booths, semi-enclosed for privacy but with

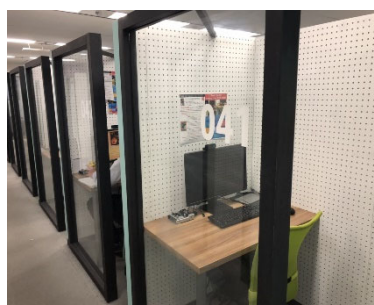
openings to allow for maximum ventilation and air circulation. In NOVA schools, lessons are also being taught from individual lesson rooms, to allow for adequate social distancing.

In addition, alcohol-based hand sanitizer is used before and after each class, masks are worn, and thermometers are used to check temperature on arrival at work.

Osaka MM Center
(JEI Kyobashi Bldg 7F)



Osaka MM Center
(Lesson booth)



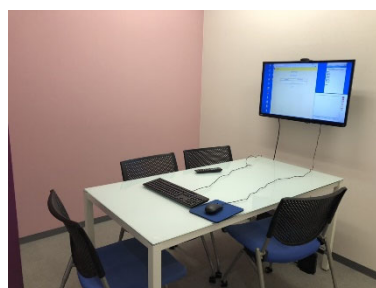
Osaka MM Center break room
(Before the Coronavirus outbreak)



NOVA school classroom
(Online lesson room 1)



NOVA school classroom
(Online lesson room 2)



Temporary Osaka MM Center
Osaka Ekimae Dai 4 Bldg



Working during the coronavirus outbreak is the instructor's choice

In principle, instructors at the Osaka MM Center are requested to teach online lessons from their usual workplace at this time. However, in acknowledgment of the current conditions, upon each instructor's own evaluation of the risks of commuting and working, the instructor may elect to move their lessons to the following month or take time off. No penalty is applied. (Under usual conditions, penalties may be applied, in accordance with the terms of each instructor contract, in the case of sudden absence or lateness in order to preserve the trust of the customer.)

In other areas, instructors currently teaching online lessons are those who wish to do so.

Plans to strike

The news story reported that 50 instructors who have joined the Union are planning to strike. We have not received any notification of a strike from any union so it is not something we understand to be a fact. However, in the event of a strike, we have 1,700 instructors in total so we will be able to continue to provide lessons without any problem. At the same time, we would like to continue our efforts to communicate to the union the reasons it is difficult to meet their demand to have instructors teach from home, and have them understand the measures we are taking to ensure the optimum lesson environment.

Policy going forward

In the middle of this global battle to contain the coronavirus outbreak, we extend our deepest sympathies to all those who have been affected and lost their lives.

We would like to express our deepest apologies to all those who have been caused concern by such a news story. Until now, while operating in compliance with the law, naturally, we have striven to make our schools and company even just a little better, and we will respond sincerely to the points made by the Union and make necessary improvements. On top of that, regarding the policy responses of both NOVA and the Group as a whole, we would like to proceed based on the thinking below.

It has been almost 13 years since the collapse of NOVA Corporation, and 13 years since our company took over the NOVA business. Currently, about 100,000 students use NOVA's services, from children to senior citizens, as well as corporations and government agencies. We have 1,700 instructors, who love Japan and come from all over the world, working with us. And there are 2,600 employees within the Group as a whole. Under current conditions, we are doing everything we can to provide our students with opportunities to continue their studies, even in just a small way.

For instructors, during these anxious times domestically and overseas we want to continue to offer stability, and have them continue to contribute to the development of language proficiency in Japan, and, as those with the best understanding of Japan, to play more and more active roles as bridges to the rest of the world.

For tenured staff, currently there are those working while feeling anxiety, and many waiting at home. As we hope for the social turmoil caused by the coronavirus outbreak to calm, we will work towards a return to normality as quickly as possible.

NOVA schools will close for adult and KIDS lessons until May 6th, but we continue to offer study opportunities through online lessons and free video lessons during this period. From May 7th onwards, we will, as a first priority, take on board government guidance,

and then proceed in a way that will allow us to provide lessons while ensuring the safety of our students, instructors, and staff, and by so doing continue to provide as many lessons as possible.

Thank you all for your continued understanding and support.

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