

TSE Urgent Notice



Sep. 15, 2023
Listing Department
Tokyo Stock Exchange, Inc.

Request for Improvement Report and Public Announcement Measure

TSE has requested an Improvement Report and taken the Public Announcement Measure as follows.

*This decision is based on the results of the examination by Japan Exchange Regulation.

- | | |
|--------------|---|
| Company Name | MARUMITSU CO.,LTD.
(Code: 8256, Market Segment: Standard Market) |
|--------------|---|
- | | |
|--|--|
| Improvement Report Submission Deadline | Oct. 2, 2023 (Mon.) |
| Provision | Securities Listing Regulations, Rule 504, Paragraph 1, Item (1)
(due to disclosed information containing false statements and improvements being deemed highly necessary) |
- | | |
|-------------------------------------|--|
| Date of Public Announcement Measure | Sep. 15, 2023 (Fri.) |
| Provision | Securities Listing Regulations, Rule 508, Paragraph 1, Item (1)
(due to disclosed information containing false statements and public announcement being deemed necessary) |
- | | |
|--------|---|
| Reason | <p>MARUMITSU CO.,LTD. (hereinafter "the Company") disclosed an investigation report of the third-party committee on the improper receipt of employment adjustment subsidies on Jul. 18, 2023 and disclosed corrections to financial results for previous fiscal years on Jul. 20, 2023.</p> <p>In addition, the Company filed an amended securities report and other reports for previous fiscal years and disclosed the receipt of audit reports with disclaimers of opinion for the amended consolidated financial statements for the fiscal years ended Mar. 31, 2021 and Mar. 31, 2022 and the consolidated financial statements for the fiscal year ended Mar. 31, 2023.</p> <p>Through these disclosures, it became clear that the Company was carrying out</p> |
|--------|---|

improper applications for employment adjustment subsidies. For example, as well as a large proportion of employees recording work data that was not based on the actual situation, the person in charge of the application process then manipulated the work record after the fact.

As a result, it was found that the Company made disclosures that are deemed false in violation of the listing rules in its earnings reports and other documents for the period from the fiscal year ended Mar. 31, 2021 to the third quarter of the fiscal year ended Mar. 31, 2023 and falsely stated that it was in the black for each stage of profit for the fiscal year ended Mar. 31, 2021.

As background to these disclosures, the following main points were recognized in this case:

- The company's basic labor management system was inadequate, with undeclared overtime and holiday work rampant throughout the Company.
- In addition to the above, there was a lack of compliance awareness, such as a lack of awareness among executives and employees of the necessity to strictly manage time and attendance to prevent false applications when receiving employment adjustment subsidies.
- The Company had inadequacies in its checks and balances system, such as entrusting all work related to applications for employment adjustment subsidies to the person in charge of the applications, and inadequacies in the system for ensuring director checks on significant transactions such as this.
- The Company had problems in the management's ability to avoid misconduct, namely being able to promptly identify and understand management problems and implement measures to resolve them.

Based on the above, this case involves inappropriate disclosure that has considerable impact on investment decisions caused by inadequacies in the system of the Company for appropriately conducting timely disclosure, including the continued failure to ensure the accuracy of information that forms the basis for timely disclosure, and improvements in the Company's system for timely disclosure are deemed highly necessary. Therefore, TSE requires the Company to submit a report containing the events leading to the issue and improvement measures.

In addition, as this case is deemed to require public announcement, TSE implements the public announcement measure.

* After submission of the Improvement Report, etc. by the Company, they will be made available on the JPX website and through the TDnet database service.

Improvement Report, etc. that are currently available for public inspection can be found on the following page of the JPX website (<https://www.jpx.co.jp/listing/measures/improvement-reports/index.html>) (available only in Japanese).

DISCLAIMER: This translation may be used for reference purposes only. This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail. This translation is subject to change without notice. Tokyo Stock Exchange, Inc. and/or Japan Exchange Regulation shall individually or jointly accept no responsibility or liability for damage or loss caused by any error, inaccuracy, misunderstanding, or changes with regard to this translation.