

TSE Urgent Notice



Mar. 22, 2024

Listing Department

Tokyo Stock Exchange, Inc.

Decision on Delisting, etc.

TSE has decided on delisting and designation as Securities to Be Delisted as follows.

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

1. Delisting and Designation as Securities to Be Delisted

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| (1) | Issue Name | ARDEPRO Co.,Ltd. stock
(Code: 8925, Market Segment: Standard Market) |
| (2) | Period of
Designation as
Securities to Be
Delisted | From Mar. 22, 2024 (Fri.) to Apr. 22, 2024 (Mon.) |
| (3) | Delisting Date | Apr. 23, 2024 (Tue.)
(Note) In cases where circumstances in which the company should be promptly delisted occur, TSE may change the period of designation as Securities to Be Delisted and the delisting date. |
| (4) | Reason
(Related Clause) | Due to falling under a case where the Exchange deems that improvement can no longer be expected in the internal management system, etc. of a listed company before the listed company submits the Written Confirmation of Internal Management System. (Securities Listing Regulations, Rule 601, Paragraph 1, Item (9), Sub-item b) |
| (5) | Details of
Reason | <p>On Sep. 28, 2023, ARDEPRO Co.,Ltd. (hereinafter "the Company") disclosed an investigation report issued by an external investigation committee concerning inappropriate accounting processing. Considering such report, on Sep. 29, 2023, the Company disclosed corrections made to a past earnings report. Furthermore, in light of the above investigation report, the Company corrected its disclosures related to several real estate transactions and matters relating to controlling shareholders, etc. on Sep. 29, 2023, and Oct. 12, 2023.</p> <p>These revealed that the Company's check-and-balance system for preventing wrongdoing was not functioning properly and that its internal control system for transactions in which its major shareholders were involved had been invalidated by the Representative Director and President. As such, TSE deemed that improvements to the Company's internal management system in particular were highly necessary and designated its stock as a Security on Alert (currently a "Security on Special Alert") on Nov. 30, 2023.</p> |

After this, with its disclosure of a policy to formulate an improvement plan on Dec. 15, 2023 and its disclosure regarding postponement of the formulation of said improvement plan on Jan. 18, 2024, the Company announced its intention to move forward with the formulation of an improvement plan for improving the internal management system, as required for de-designation as a Security on Special Alert, on a fixed schedule.

However, on Feb. 15, 2024, the Company disclosed that it decided to give up the idea of formulating an improvement plan. In response, Japan Exchange Regulation decided to examine whether the Company's internal management system can be improved and designated its stock as a Security Under Supervision (Examination) on the same day.

(Likelihood of improvement)

Although one year has yet passed since the designation as a Security on Alert (currently a "Security on Special Alert"), after considering the possibility of improvement in the Company's internal management system, etc., TSE deemed that there was no such possibility. This decision was reached in view of the following situations that were confirmed in the designation as a Security Under Supervision (Examination), meetings with the Company, and document inquiries, among other factors.

- The Company has clearly stated its intention to give up the idea of formulating an improvement plan, which would serve as the premise for improving its internal management system, etc. There are no extraordinary circumstances that would compel the Company to make a significant change in its intention to create an improvement plan in future.
- Apart from the creation of the improvement plan for its internal management system, etc., the Company stated that it would continue to implement measures to prevent recurrence based on its attributes or internal systems. However, said measures do not include any change of executive officers, which should be considered because the root cause of the aforementioned disclosure regarding the correction was the inappropriate function of the Company's check-and-balance system for preventing wrongdoing, the development of a system to secure transparency and fairness in transactions involving major shareholders or investigation of past transactions in which major shareholders were involved, which would be a prerequisite for the development of such a system, or any other alternative measures that could be considered effective. Therefore, its measures do not reach a level where its internal management system and the like are expected to be improved.

(Conclusion)

Comprehensively considering the above situations, TSE deems that the Company has no improvement plan that would serve as the premise for improving the internal management system, etc., because it gave up the idea of formulating it, there are no circumstances whereby the Company may make a change its intention, and the preventive measures that the Company is to implement apart from the creation of the improvement plan are not sufficient to improve its internal management system, etc. Therefore, TSE has recognized that there is no possibility of improving the Company's internal management system, etc. Thus, it has determined to designate the Company's stock as a Security to Be Delisted.

2. Exclusion from Securities in Lieu of Money

The stock of the Company will be excluded from securities in lieu of money for the following items from Mar. 25, 2024 (Mon.) inclusive.

- Customer margin for margin transactions and when-issued transactions
- Trading margin for when-issued transactions
- Trading participant security money
- Participant bonds

Note: TSE has withdrawn the designation of the above issue as Securities on Special Alert in connection with the decision

on delisting, etc.

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