

# TSE Urgent Notice



Aug. 18, 2025

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  | Souken Ace Co.,Ltd. stock<br>(Code: 1757, Market Segment: Standard Market)  |
| (2) | Period of<br>Designation as<br>Securities to Be<br>Delisted | From Aug. 18, 2025 (Mon.) to Sep. 18, 2025 (Thu.)   |
| (3) | Delisting Date  | Sep. 19, 2025 (Fri.)<br>(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<br>(Related Clause)                                  | Due to the company having fallen under a case where the Exchange deems it clearly difficult to maintain order in the market if the listed company is not immediately delisted, because the listed company has made false statements in past annual securities reports, etc.<br>(Securities Listing Regulations, Rule 601, Paragraph 1, Item (8))  |
| (5) | Details of<br>Reason  | Souken Ace Co.,Ltd. (hereinafter referred to as "the Company") disclosed on Jun. 30, 2025 an investigation report prepared by a special investigation committee, and subsequently on Aug. 7, 2025 submitted revised versions of its past securities reports, etc. from the second quarter of the fiscal year ended Mar. 2022 to the midpoint of the fiscal year ended Mar. 2025.<br>The corrections involved canceling a substantial portion of reported sales revenue for the fiscal years ended Mar. 2022 to Mar. 2024—approximately JPY 7.3 billion (about 84.7%) out of the consolidated total sales revenue of approximately JPY 8.7 billion—because this amount was identified as fictitious. As a result of these corrections, net profit was adjusted from positive to negative for certain periods. This and other details mean it can be deemed that the corrected information contained false statements that could significantly mislead investors.<br>It was made clear that the transactions now identified as fictitious, that led to the false statements, were initiated by the representative director and president at the time, along |

with the head of the administration division of the Company at the time (hereinafter referred to as the "Former Head of Administration"), in conjunction with a certain construction company, during the fiscal year ended Mar. 2022. Specifically, certain subsidiaries of the Company (hereinafter referred to as "Subsidiaries") engaged in circular transactions over a long period. This involved receiving construction orders from the construction company and placing construction orders with a subcontractor and other parties that were, in essence, the same entity as the construction company (hereinafter referred to as "Subcontractors"), transactions which in effect simply provided funds to and recovered funds from the construction company. Additionally, the Former Head of Administration and other staff repeatedly falsified transaction records to make them appear legitimate, even though they knew these transactions by the Subsidiaries might not have any real economic substance.

It is acknowledged that the Company has taken certain measures to rectify the situation. For example, the management team responsible for the transactions in question resigned in Jun. 2023, and since then, the Company has ceased said transactions. However, even considering the situation under the new management, TSE has decided to designate the Company's stock as a Security to Be Delisted, because TSE still believes that maintaining the Company's listing would significantly undermine the confidence of investors in TSE's financial instruments markets.

## 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 Aug. 19, 2025 (Tue.) inclusive.

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

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