

TSE Urgent Notice



Aug. 26, 2025
Listing Department
Tokyo Stock Exchange, Inc.

Designation of Security on Special Alert and Imposition of Listing Agreement Violation Penalty

TSE has designated the stock as a Security on Special Alert and imposed a listing agreement violation penalty as follows.

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

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| 1. | Issue Name | ACCESS CO.,LTD. stock
(Code: 4813, Market Segment: Prime Market) |
| 2. | Date of Designation of Security on Special Alert | Aug. 27, 2025 (Wed.) |
| | Reason (Related Clause) | Due to falling under a case where TSE deems that the listed company has violated the provisions of timely disclosure and that the improvement of the internal management system of such listed company is highly necessary (Securities Listing Regulations, Rule 503, Paragraph 1, Item (3)) |
| 3. | Listing Agreement Violation Penalty Total | JPY 48 million |
| | Reason (Related Clause) | Due to being deemed to have violated the timely disclosure rules and the matters sworn in the written oath for application for transfer of listing market, thereby undermining the confidence of shareholders and investors in the TSE market (Securities Listing Regulations, Rule 509, Paragraph 1, Item (1) and Item (3) of the same paragraph) |
| 4. | Details of Reason | <p>ACCESS CO.,LTD. (hereinafter "the Company") disclosed that it received an investigation report of the special investigation committee concerning inappropriate accounting processing at the Company on Jun. 30, 2025 and on the same day it also disclosed corrections to its past financial results.</p> <p>These disclosures revealed that the overseas subsidiary responsible for the Company's core network business (hereinafter referred to as "the Subsidiary"), with involvement from certain members of management of both the Company and the Subsidiary, had overstated and prematurely recognized sales revenue from software license sales, recording it earlier than appropriate. Furthermore, a portion of software</p> |

development costs was incorrectly classified as intangible assets (software) on the balance sheet, when it should have been recorded as costs (hereinafter referred to as "the Inappropriate Accounting Practices").

As a result, the Company was found to have violated listing rules by making false disclosures in its earnings reports and other documents from the fiscal year ended Jan. 2021 to the second quarter of the fiscal year ended Jan. 2025. In addressing these false disclosures, the corrections to the past earnings reports revealed significant misrepresentation of the Company's financial results, including those for the fiscal year ended Jan. 2024. Specifically, for that fiscal year the Company understated its operating loss from JPY 1,977 million to JPY 105 million, its ordinary loss from JPY 1,924 million to JPY 12 million, and its net loss attributable to owners of the parent company from JPY 2,231 million to JPY 280 million.

Furthermore, the investigation report by the special investigation committee along with responses to inquiries from Japan Exchange Regulation (JPX-R), among others, revealed that the Inappropriate Accounting Practices had been ongoing since the fiscal year ended Jan. 2018. Specifically, it was found that for the fiscal year ended Jan. 2018, the operating profit, ordinary profit, and profit attributable to owners of the parent company would all have been at least 60% lower. Additionally, for the fiscal years ended Jan. 2019 and Jan. 2020, the Company falsely reported profits in these categories despite them actually being losses.

In Feb. 2020, the Company transitioned from the then-Mothers market to the then-First Section of TSE. It has also now been revealed that the Company had included falsified financial statements prepared under the Inappropriate Accounting Practices in its application for the listed market transfer, despite having submitted written oaths affirming that all documents provided to TSE were truthful. These statements enabled the Company to improperly secure approval for the transfer.

For the most part, the following points were identified as the context for these events.

- The participation and involvement of certain members of management of both the Company and the Subsidiary in multiple instances of inappropriate accounting practices over an extended period indicates a significant lack of compliance awareness regarding financial reporting. Furthermore, the Company's representative director showed insufficient compliance awareness in financial reporting, as noted by his failure to take appropriate actions despite encountering information that could have addressed the Inappropriate Accounting Practices.
- At the Subsidiary, effective internal controls to prevent the Inappropriate Accounting Practices were not put in place. These issues stemmed from the failure to enhance the internal management system of the Subsidiary, even though such improvements were necessary due to the Subsidiary's expanding business scale. Appropriate measures were postponed, with declining performance and other reasons given as justification. Furthermore, the officers and employees showed limited awareness of their role within a publicly listed corporate group, and there was insufficient understanding of the importance of financial reporting in particular.
- At the Company, the checks and balances system to oversee the Subsidiary also did not operate effectively. Despite the Subsidiary's growing importance due to the expansion of the network business, the Company did not adequately strengthen the management system for the Subsidiary to align with its increasing significance.

As detailed above, this case involves multiple instances of inappropriate accounting practices carried out over an extended period, with the involvement of certain members of management from both the Company and the Subsidiary. These actions led to disclosures considered false, significantly impacting investors' investment decisions. Although the Company announced on Jun. 30, 2025 that it has implemented measures to prevent recurrence, further substantial improvements to the Company's internal management system and related areas are still deemed highly

necessary. Therefore, TSE designates the Company's stock as a Security on Special Alert.

Moreover, given the above background, this case involved the prolonged disclosure of incorrect financial information that is highly important for investment decision-making. Additionally, the Company breached matters sworn in the written oaths and improperly obtained approval from TSE during the examination for listed market transfer. As such, TSE deems that this case has undermined the confidence of shareholders and investors in the TSE market and, therefore, shall impose a listing agreement violation penalty on the Company.

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