



disclosures:

- The function of the Company's administrative division was continuously neglected as evidenced by such facts as that business divisions and the Company's subsidiary, which the then executive director was in charge of, gave priority to posting sales over taking approval process specified in the internal rules when starting a new transaction, and that, although the transaction value was clearly large for the Company, the necessary information, such as an overview of the transaction and the terms of the contract, was not appropriately shared with the Company's administrative division in a timely manner.
- The control by the Company's administrative division was disabled as evidenced in such actions by the then executive officer and director of Administration Department and others taking part in providing false explanations for the accounting auditor in line with the then executive director's intent despite the fact that the Company's accounting division became aware of such false explanations given by said executive director, etc. for the accounting auditor afterward.
- There was low awareness of compliance given that the Company's president overlooked the fact that he received explanations that hinted at the false explanations provided to the accounting auditor.

Based on the above, this case is in violation of the listing rules due to the disclosure containing false statements, has considerable impact on investment decisions, and is deemed to require public announcement. Thus, TSE implements the public announcement measure.

Furthermore, this is a case of inappropriate disclosure arising from deficiencies in the Company's organizational structure for conducting appropriate timely disclosure, and improvements to such organizational structure are deemed to remain highly necessary. As such, TSE requires the Company to submit a report containing the background of the issue and improvement measures.

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