

TSE Urgent Notice



Sep. 19, 2025
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.

1. Company Name FISCO Ltd.
(Code: 3807, Market Segment: Growth Market)
2. Improvement Report Submission Deadline
Reason (Related Clause) Due to disclosed information containing false statements and improvements being deemed highly necessary
(Securities Listing Regulations, Rule 504, Paragraph 1, Item (1))
3. Date of Public Announcement Measure
Reason (Related Clause) Due to disclosed information containing false statements and public announcement being deemed necessary
(Securities Listing Regulations, Rule 508, Paragraph 1, Item (1))
4. Details of Reason
FISCO Ltd. (hereinafter "the Company") disclosed that the Company found items that should be corrected in its past consolidated financial statements on Aug. 4, 2025 and disclosed corrections to its past earnings reports on Aug. 8 of the same year.
These disclosures revealed the following points:
 1. The Company used the period-end closing price for the valuation of a crypto-asset in the second quarter of the fiscal year ended Dec. 2022. However, toward the end of said quarter, significant transactions of the crypto-asset (hereinafter referred to as "these transactions") were executed through subsidiaries where former directors of the Company were also serving as directors, along with other related companies, which caused substantial fluctuations in market prices. Since there is no active trading market for said crypto-asset, it would have been

appropriate to base the valuation on the closing price of the day before these transactions.

2. Furthermore, in the second quarter of the fiscal year ended Dec. 2024, the Company wrote down the valuation of said crypto-asset to a residual value. However, considering the Company's holdings and the market circulation status of said crypto-asset, it would have been appropriate to write down said valuation in the fiscal year ended Dec. 2023.

As a result, the Company was found to have made disclosures that were deemed false and in violation of the listing rules in its earnings reports and quarterly earnings reports from the second quarter of the fiscal year ended Dec. 2022 to the fiscal year ended Dec. 2024. Consequent corrections to the Company's past earnings reports revealed that its operating profit and ordinary profit would turn from positive to negative for the fiscal year ended Dec. 2022 and that its sales would decrease by at least 50% for the fiscal year ended Dec. 2023.

The following points were identified as the main reasons for these disclosures.

- Although the Company had rules concerning crypto-asset transactions, it had not established similar rules for its subsidiaries that engage in such transactions or developed unified rules or operational policies within the group, resulting in a lack of a system to check crypto-asset transactions at the subsidiary level.
- Despite the fact that crypto-asset transactions by subsidiaries could potentially impact market quotations or lead to biases in price formation, the Company had not established a system to manage this, such as to centrally manage crypto-asset transactions conducted by its subsidiaries or to restrict such transactions as necessary.
- The former directors of the Company involved in these transactions lacked sufficient awareness that, for a crypto-asset without an active trading market, such transactions by parties related to the issuer themselves could influence price formation and potentially cause conflicts of interest.
- In valuing the crypto-asset without an active trading market, the Company focused solely on market price trends and did not have a system to verify the validity of price formation in the trading market through analysis of transaction histories or investigation of the causes of abnormal values.

As described above, this case involved false disclosures that had a substantial impact on investors' investment decisions and that were made as a result of inappropriate valuation and accounting treatment of the crypto-asset the Company holds. As such, TSE deems that improvements to the Company's timely disclosure system are highly necessary.

While the Company has already disclosed recurrence prevention measures on Aug. 4, 2025 based on recommendations from its outside director and the board of company auditors, and the directors involved in these transactions have resigned, TSE has decided to require the Company to submit a report that includes the circumstances behind the incident and the Company's measures for improvement in order to encourage the Company to thoroughly implement such measures.

In addition, as this case is deemed to require public announcement, TSE has decided to implement the Public Announcement Measure.

* After submission of the Improvement Report by the Company, it will be made available on the JPX website (<https://www.jpx.co.jp/listing/measures/improvement-reports/index.html>) and through the TDnet database service (both available only in Japanese).

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