

TSE Urgent Notice



May 19, 2026
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 eMnet Japan.co.ltd.
(Code: 7036, Market Segment: Growth Market)
2. Improvement Report Submission Deadline Jun. 16, 2026 (Tue.)

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 May 19, 2026 (Tue.)

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

On Mar. 30, 2026, eMnet Japan.co.ltd. (hereinafter "the Company") disclosed a third-party committee's investigation report concerning the Company's inappropriate accounting processing and on Mar. 31, 2026, disclosed corrections to its past earnings reports.

These disclosures revealed that the then managing director and chief financial officer (CFO), who effectively wielded almost absolute authority within the Company, had illicitly diverted company funds, for example by disabling internal controls in the administrative division and repeatedly arranging unauthorized transfers to a bank account in his own name, while instructing employees in that division to conceal the misconduct and remain silent. As a result, it was found that the Company had made false disclosures in violation of the listing rules for earnings reports, etc. from the third quarter of the fiscal year ended Dec. 2023 to the third quarter of the fiscal year ended

Dec. 2025, and as a result of the subsequent corrections to past earnings reports, the Company's net income would decrease by at least 80% for the fiscal year ended Dec. 2024.

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

- Although management authority was concentrated in the managing director and CFO, who lacked an adequate awareness of compliance, the representative director and president failed to anticipate the risk of impropriety. This created an organizational structure in which the disabling of the internal control system in the administrative division went unnoticed, meaning the managing director and CFO was able to repeatedly arrange transfers of funds to his own bank account without going through proper internal procedures.
- Findings from internal audits and the risk and compliance committee were not reported to the board of directors as information to support the monitoring of directors' execution of duties. Consequently, the board was not organized in a way that allowed it to adequately oversee how directors carried out their duties.
- The internal audit department did not conduct operational audits, and its evaluation of internal controls was limited to surface-level checks. In addition, the independence of the internal audit department was not ensured, and coordination with supervisory committee members did not function properly, leaving the Company without an effective internal audit function for the administrative division.
- Several employees, despite harboring doubts about instructions from the managing director and CFO, still followed those instructions and took no corrective action. This reflected a low level of trust in the Company's whistleblowing system and in audits conducted by the supervisory committee.

Based on the above, this case involves disclosures that were deemed to be false, thereby considerably impacting investor decisions, caused by inadequacies in the system of the Company to appropriately conduct timely disclosure. Therefore, improvements in the Company's system for timely disclosure are deemed highly necessary. While the Company has already disclosed recurrence prevention measures on May 13, 2026, 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).

DISCLAIMER: This translation may be used for reference purposes only. This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail. This translation is subject to change without notice. Tokyo Stock Exchange, Inc. and/or Japan Exchange Regulation shall individually or jointly accept no responsibility or liability for damage or loss caused by any error, inaccuracy, misunderstanding, or changes with regard to this translation.