



May 27, 2025

To Whom It May Concern

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### **Announcement Concerning Misconduct at a Subsidiary of the Company**

It has come to our attention that, over the past several years, executives and employees of one of Teikoku Tsushin Kogyo.co.,ltd.'s (Noble's) subsidiaries have been receiving improper monetary requests from public officials and improperly paid that officials a total of approximately 14 million yen.

Responding to suspicions that this misconduct had occurred, Noble established an investigating committee, composed primarily of independent outside corporate auditors and attorneys who have no vested interest in the company, to conduct an investigation. In addition to investigating the facts and taking steps to prevent any recurrence, we have voluntarily reported the misconduct uncovered by the investigation to the investigative authorities and are cooperating fully with their investigation. To avoid any potential interference with the investigation by the investigative authorities, we will refrain from disclosing the details of the misconduct in question at this time.

We sincerely apologize to our shareholders, investors, and all other concerned parties for our failure to prevent this misconduct from occurring. As a company, we take this incident extremely seriously, and will work to enhance and strengthen our legal compliance system, management control system, and other relevant systems.

In response to this misconduct, we have taken the following measures to punish those involved and prevent any recurrence.

#### **1. Punishment for Parties Involved**

Individuals serving as directors at Noble and one of its subsidiaries, who were found to be involved in this misconduct, have already resigned from their positions. In addition, in order to clarify the administrative and supervisory responsibilities of the company's directors, we have voluntarily returned a portion of the remuneration to be paid to the directors involved, and have taken strict disciplinary action against the individuals concerned.

Name	Position	Amount returned
Masuo Hanyu	President	10% of monthly remuneration for 3 months
Rikuo Maruyama	Director Senior Vice President	10% of monthly remuneration for 3 months

## 2. Policy on Initiatives to Prevent Recurrence

### (1) Raising Awareness of Compliance

Our president has issued a clear message that calls on all officers and employees to act in accordance with our Code of Conduct, which emphasizes compliance over performance, and expresses our determination to fundamentally improve our organizational culture. Going forward, we will take steps to repeat this message on various occasions to ensure that all employees, including those at our domestic and overseas subsidiaries, are fully aware of these principles.

In addition, education and training have been conducted to educate all executives and employees on the impact of violations of laws and regulations, and how to respond to monetary requests if they occur. These measures will be implemented on an ongoing basis.

### (2) Appropriate Response to the Misconduct in Question

We have already voluntarily filed a report to the investigative authorities and will continue to take appropriate measures to address this misconduct, including full cooperation with the investigation. We believe that by taking these measures, the message from senior management that firm action will be taken against compliance violations will be understood not just as a formality, but also in substance, and that the effectiveness of awareness-raising among executives and employees will also be enhanced.

### (3) Establishment of a Legal Compliance and Risk Management System for Subsidiaries

As a measure to deal with the kind of monetary requests from public officials that triggered the misconduct in question, a department in charge of legal compliance has been established to serve as a point of contact for executives and employees of subsidiaries to consult with immediately, rather than having to worry about these issues on their own. In the event that a monetary request is actually made, the company will not delegate the responsibility of responding to such a request to subsidiaries. Instead, the department in charge of legal compliance will take responsibility for responding to such a request in conjunction with the subsidiary.

### (4) Strengthening of Internal Control Activities for Subsidiaries

Although our Internal Audit Section conducts internal audits, we intend to conduct more appropriate assessments of risks at our subsidiaries and conduct monitoring and supervisory activities based on these assessments.

### (5) Review of Rules on Decision-Making Authority, etc.

In the event of an irregular material event such as this misconduct at a subsidiary, we will take measures to establish more detailed and extensive rules for decision-making authority and matters to be reported,

ensuring that information is reported to us and that the appropriate decision-making bodies are consulted with respect to monetary expenditures.

### **3. Impact on Financial Results**

The impact of this misconduct on the company's financial results is expected to be negligible.

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