



May 26, 2023

Dear All

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Representative: Naoki Okada, President and CEO
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Announcement on the Investigation Relating to an Improper Real Estate Acquisition at a U.S. Subsidiary

Our internal investigation to date has uncovered that an improper acquisition was made with respect to certain real property of one of our consolidated US subsidiaries (the “Incident”). We are currently investigating the details, and the summary of the Incident uncovered by the investigation to date and the measures being taken are as described below. We sincerely apologize for worrying and causing trouble to all of our shareholders, investors, and related parties.

<Description>

1. Summary of the Incident Uncovered To Date

Based on a whistleblowing complaint made on March 3, 2023, we were made aware of suspicious activities regarding the personal misappropriation of real property owned by one of our US subsidiaries by a director of the Company, who is the CEO of such subsidiary, and launched an internal investigation immediately thereafter. Our investigation is still continuing at this moment, however, to date, it has uncovered that an improper acquisition was made with respect to land purchased in 2020 and a building built in 2022 by such subsidiary (the total value of such land and building at the time of acquisition amounts to approximately 6.5 million US dollars (equivalent to 847 million Japanese yen)). Further, our investigation to date has uncovered that the said officer disguised the purpose for acquiring the land and building to make such subsidiary acquire such property and that said officer used such property for a certain period for its personal purpose. The said officer has been suspended from the US subsidiary and the Company.

2. Measures Being Taken

In order to ensure objectiveness and fairness, we engaged outside counsel in the US who are independent from us for the internal investigation, and we are conducting a wide-ranging investigation including interviewing such officer, employees of such US subsidiary and other related parties, conducting a forensic investigation, and reviewing relevant documents to determine (i) the detailed facts of the Incident, (ii) if other similar incidents occurred and (iii) if the appropriate accounting treatment was performed.

3. Impact on the Financial Statements

We believe that the impact of the Incident on our consolidated financial statements is limited, but we will let you know the magnitude of the impact as well as how we will treat the Incident in terms of accounting as soon as they are determined. In addition, if our further internal investigation detects the possibility of the scope of the Incident and the magnitude of the impact changing, we will let you know immediately.

4. Annual General Shareholders Meeting

As described in “3. Impact on the Financial Statements,” further internal review will be required to confirm the scope and impact of the Incident and to finalize the financial statements. Accordingly, there may be changes with respect to our annual general shareholders meeting scheduled at the end of June, depending on the situation going forward. We are internally discussing how to deal with the situation and we will let you know once such changes are finalized.

[End]