

Notice on Prevention Measures against Recurrence

As announced in our press releases published on our Japanese site on June 17 and July 8, 2025, a former executive of our company was arrested and indicted on suspicion of bribery (hereinafter referred to as “the Incident”).

We would like to once again sincerely apologize for the concern and inconvenience caused to all related parties.

In response to the Incident, we established an investigation team consisting of external attorneys with no direct interest in our company. Based on the investigation report we received, we have formulated the following measures against recurrence.

■ Causes of the Incident

Based on the recommendations of the investigation team, the causes of the Incident have been identified as follows:

- 1- Inadequate oversight of directors
- 2- Lack of compliance awareness among executives and employees
- 3- Weaknesses in monitoring and control functions

■ Overview of Recurrence Prevention Measures

1. Renewal and Strengthening of the Management Structure

We have clarified the responsibilities of the former management and taken steps to renew the management structure to ensure proper oversight of executives. Under the new management, we will build an effective governance system, including supervisory functions by the Board of Directors, and foster a corporate culture that emphasizes compliance throughout the company.

2. Enhancing Compliance Awareness Through Organizational Reforms, Policy Improvements, and Education

We will increase awareness among all executives and employees by strengthening our organizational structure, revising internal policies, and reinforcing compliance education. Specifically, we will deliver clear commitment messages from top management to all staff, review and revise compliance-related regulations and aim to establish a corporate culture of strict compliance, enabling each employee to act in accordance with laws and regulations.

3. Strengthening Monitoring and Control Functions for Early Detection and Resolution of Risks

While we already have an internal audit department and an internal control system in place, we take the occurrence of the beforementioned Incident seriously. To reinforce our monitoring and control mechanisms, we will collaborate with the audit system of our parent company, Tokyu Land Corporation, and enhance our own internal audit structure.

In addition, we will implement regular compliance surveys for employees and revise our internal whistleblowing system. These measures will enable us to promptly detect any compliance violations and swiftly correct any issues that arise.

We once again sincerely apologize for the great inconvenience and concern caused to all parties involved by the Incident. We take this matter with the utmost seriousness and are committed to our recurrence prevention measures to restore trust in our company.