September 18, 2026

For Immediate Release

Company name: Sanyo Trading Co., Ltd.

Representative: Masanobu Shintani, President & CEO

(Code: 3176 TSE Prime Market)

Inquiries: Ryuichi Otani, Director, In Charge of Administration Division

(Tel: +81-3-3518-1111)

Notice Regarding Suspected Misconduct by Treasurer of U.S. Subsidiary and Establishment of Special Investigation Committee

In early September 2026, it came to light that an employee (hereinafter the "Subject") who was the Treasurer of Sanyo Corporation of America (located in the United States; hereinafter "SCOA"), our consolidated subsidiary, was suspected of misappropriating SCOA's funds for personal use (hereinafter the "Suspected Misconduct") through a review of fund transfer records and accounting books and records within SCOA. Immediately upon discovery of the Suspected Misconduct, we launched an internal investigation to verify the facts known at this time. Additionally, at a meeting held today, the Board of Directors resolved to establish a Special Investigation Committee of external attorneys and other external organizations (hereinafter the "Committee") to investigate the specific facts and circumstances relating to the Suspected Misconduct, the scope of its impact, and its causes in a more specialized and objective manner. We announce the following information about this decision.

We deeply regret that this situation has arisen and sincerely apologize for the significant inconvenience and concern it has caused our stakeholders, including our shareholders and investors.

Details

1. Facts Identified to Date

Based on the internal investigation conducted to date, it is suspected that the Subject misappropriated SCOA's funds for personal use on multiple occasions between June and September 2026 by withdrawing deposits from SCOA or transferring funds. The estimated total amount of the loss as currently identified is 3.9 million U.S. dollars (approximately 609 million yen calculated using the TTM (Telegraphic Transfer Middle Rate) on September 18, 2026, 156.32 yen to the U.S. dollar). As of this time, we have not identified any facts suggesting that anyone other than the Subject was involved in the Suspected Misconduct, but we are continuing to thoroughly investigate the scope of the impact of this issue and the amount of money involved.

2. Purpose of the Committee

The primary purposes of the Committee are:

(1) Investigate and verify the facts of the Suspected Misconduct (time period, methods, scope of impact, amount of money involved, and other relevant matters)

(2) Investigate and verify the facts about any similar or related incidents at the consolidated group level

(3) Analyze the causes and propose measures to prevent recurrence and other related actions

(4) Purposes other than the above that the Committee deems necessary

3. Composition of the Committee

The Committee is composed of external attorneys and other external organizations with no material interest in the Company or SCOA.

The composition of the Committee is as follows.

Affiliation	**Name**	**Position/Qualifications**
Chairperson	Daisuke Yuki	Partner, Nozomi Sogo Attorneys at Law Attorney-at-Law (Japan), Attorney-at-Law (New York State), Certified Fraud Examiner
Member	Shinsuke Tanaka	Partner, Nozomi Sogo Attorneys at Law Attorney-at-Law (Japan), Certified Fraud Examiner
Member	Hideshiro Karasawa	Of Counsel, Nozomi Sogo Attorneys at Law Attorney-at-Law (Japan)

4. Future Actions and Impact on Business Performance

We will fully cooperate with the Committee’s investigation and collaborate with our accounting auditors and relevant authorities to implement appropriate accounting treatments and disclosure measures. Currently, the estimated amount of the loss in connection with the Suspected Misconduct is 3.9 million U.S. dollars (approximately 609 million yen), as stated above. We are currently conducting a thorough review of SCOA’s financial statements and assessing the recoverability of the misappropriated funds. At this time, the impact of the Suspected Misconduct on our consolidated financial results remains undetermined. The announcement of financial results for the fiscal year ending September 2026 is scheduled for November 9. As of this moment, the announcement schedule has not been changed, but we will promptly disclose any changes to the date of the announcement or other details should they arise due to the investigation or other factors.

Furthermore, we are considering legal measures regarding the Suspected Misconduct, including efforts to pursue criminal charges and civil lawsuits to recover damages, and we will respond appropriately based on the findings of the Committee's investigation and other relevant factors.

Going forward, we will promptly disclose any matters requiring disclosure that come to light based on the progress or findings of the Committee’s investigation. We take the Suspected Misconduct very seriously, and we are striving to strengthen the internal control systems and governance of the Group as a whole by identifying the causes of this matter and formulating and implementing measures to prevent its recurrence.