



February 16, 2026

To Whom It May Concern

Company Name: TOA Corporation
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Notice Regarding Internal Investigation Findings and Formulation of Preventive
Measures Concerning the Fund Outflow Incident at Our U.S. Subsidiary
and Voluntary Return of a Portion of Executive Compensation

As announced in the "Notice Regarding the Fund Outflow Incident at Our U.S. Subsidiary" dated July 16, 2025, and the "Notice Regarding the Revised Forecast for the Fiscal Year Ending March 2026" dated August 4, 2025"Notice Regarding the Unrevised Earnings Forecast for the Fiscal Year Ending March 2026" (hereinafter referred to as "the matter"). In response to the incident where funds were misappropriated from our U.S. subsidiary based on fraudulent instructions from a malicious third party, we formed an Investigation and Countermeasures Committee centered on outside auditors and outside directors. This committee conducted an internal investigation involving external experts. We have received the "Final Report" from the Investigation and Countermeasures Committee.

We sincerely accept the findings and recommendations of this investigation and have resolved at today's Board of Directors meeting to implement measures to prevent recurrence. Furthermore, we hereby announce that the relevant officers of the Company have voluntarily offered to return their executive compensation.

We once again deeply apologize for the significant inconvenience and concern caused to our shareholders and all other stakeholders. To prevent the recurrence of such incidents, we will work to further strengthen the governance structure and internal controls within our company and our group companies.

Details

1. Investigation Findings

(1) Investigation Findings

The Investigation and Countermeasures Committee, with the assistance of external experts, conducted a thorough examination of relevant documents, interviews with employees and other parties involved in this matter, and an investigation into the destination of the funds.

The investigation confirmed that the Company was victimized by fraudulent acts perpetrated by a malicious third party. Furthermore, it confirmed that no employees or officers of the Company or its U.S. subsidiary were involved in this matter, and that there is no evidence of misconduct by any party.

Furthermore, no similar incidents were identified at our company or other group companies outside of the U.S. subsidiary.

(2) Cause Analysis

As stated in the investigation results above (1), no facts indicating misconduct or organizational involvement were confirmed among the employees and related parties involved in this matter.

However, during the cause analysis conducted by the Investigation and Countermeasures Committee, the following issues were identified at the U.S. subsidiary: . Based on these findings, we have formulated recurrence prevention measures applicable to our company and our group companies.

- ① Excessive concentration of operational approval authority in specific executives
- ② Insufficient awareness of internal rule compliance, compliance, and crisis management
- ③ Our monitoring and auditing systems were not functioning adequately

2. Measures to Prevent Recurrence

Based on the above findings and recommendations, on the findings outlined in Section 1 above, we will reaffirm and strengthen our governance structure and internal controls within our company and group companies as follows, striving to prevent recurrence.

(1) Strengthening Control Over Business Processes at Our Company and Our Group Companies

- ① Strengthening controls over business processes related to remittances and payments
- ② Strengthening controls over business processes related to new transactions
- ③ Mechanisms for preventing fraudulent remittances in internet banking Confirmation
- ④ Strengthening fund balance management
- ⑤ Strengthening the monitoring framework from our company

(2) Strengthening Internal Controls Through Appropriate Division of Authority and Responsibility at Group Companies

- ① Reinforcing the responsibilities, scope, and roles of subsidiary managers (positions) through organizational structure and job division improvements

- (3) Improving compliance awareness and crisis management awareness within the Company and its Group Companies
 - ① Awareness campaigns and training
 - ② Enhancing governance and compliance education
 - ③ Thorough education on the invalidation of internal controls

- (4) Fostering a healthy internal environment within the Company and its Group companies (Creating an Open Workplace Environment)
 - ① Establishment of a sound internal environment by top management and executives
 - ② Strengthening Internal Communication

- (5) Enhancement of Monitoring Functions at Our Company and Audit Functions at Our Group Companies
 - ① Daily Monitoring by Our Company's Head Office
 - ② Strengthening audits of group companies
(Strengthening the internal audit department and group company auditors)
 - ③ Internal Control Evaluation by the Company

- (6) Establishing Personnel Systems to Maintain and Strengthen Governance at the Company and Within the Group
 - ① Ensuring the feasibility of recurrence prevention measures

3. Disciplinary Action Against Related Parties

Regarding employees involved in this matter, following confirmation of the facts, disciplinary actions have been determined based on the Company's internal regulations.

4. Voluntary Return of Executive Compensation

Taking the occurrence of this incident very seriously, the following voluntary return of a portion of executive compensation has been proposed.

【Details of Voluntary Return of Executive Compensation】

President, CEO 20% of monthly compensation

Other Directors 10% of monthly compensation

【Target Period】

February to March 2026 (two months)

End