

July 25, 2023

To whom it may concern

Name of Company: ASANUMA CORPORATION
Stock Exchange Prime Market of the Tokyo Stock
Listing: Exchange
Stock Code: 1852
Representative Makoto Asanuma,
Representative Director,
President & C.E.O
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Suspension of Business Pursuant to the Construction Business Act

Today, the Company was subjected to suspension of business by the Kinki Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism as follows pursuant to the provision of Article 28, paragraph (3) of the Construction Business Act due to employees of the Company being found guilty of interfering in bidding on a tender for a public contract in relation to bidding on construction ordered by Ichikawa City in Prefecture, and the sentences being finalized.

We sincerely apologize to all relevant parties including shareholders and business partners for the significant concern and inconvenience caused.

The Company solemnly accepts this disciplinary action, and the entire Company will work to ensure “4. Measures to Prevent Recurrence” and endeavor to quickly regain trust.

1. Scope of Business Operations and Period Subject to Orders to be Suspended

Scope of Business Operations Ordered to be Suspended	Business related to demolition work pertaining to public works projects in the areas of Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Yamanashi and Nagano
Period	120 days from August 9, 2023 until December 6, 2023

(Note 1) Business related to demolition work refers to a business being contracted to perform demolition work by an order.

(Note 2) “Public works project” refers to construction work in which the order is the national government, a local government, a public corporation listed in Appended Table 1 of the Corporation Tax Act (Act No. 34 of 1965) or a corporation prescribed in Article 18 of the Enforcement Regulation of the Construction Business Act (Order of the Ministry of Construction No. 14 of 1949).

2. Impact on Financial Results

There are no plans to revise the results forecast at this time, but we will promptly provide notification if it is revealed that there will be a significant impact on future results.

3. The Company’s Response to the Incident

The following actions were taken in response to the arrest of employees of the Company in July 2022.

- (1) Message sent by President & C.E.O (Chairman of the Compliance Committee) to all officers and employees
 - In response to the arrest of the Company’s employees, all officers and employees were instructed to ensure compliance

- (2) Reduction of compensation of directors and executive officers
 - As stated in the “Notice of Reduction of Remuneration for Directors, Etc.” dated August 16, 2022
- (3) Disciplinary action against the relevant employees
 - As disclosed on the Company’s website in “Measures to Prevent Recurrence” dated October 20, 2022 , disciplinary action was taken on September 8, 2022
- (4) Implementation of audits
 - The Audit Officer audited the bidding process for public works projects (previous Note 2) nationwide for which the company received orders since FY2018. It was confirmed that there are no similar cases.

4. Measures to Prevent Recurrence

The following action is being taken as measures to prevent recurrence.

- (1) Ensuring compliance
 - President & C.E.O (Chairman of the Compliance Committee) made a renewed request to the Company’s officers and employees in charge of sales for timely and appropriate sharing of information and the creation of a workplace enabling easy consultation by personnel in charge of sales.
 - Building Construction Headquarter and Civil Construction Headquarter clearly indicated the information sharing route and reporting lines for acquiring tender projects, etc.
 - The details of “Appropriate bidding and contracting for public works projects” were clarified in the handbook for ensuring compliance.
 - Implementation of training
In response to this incident, in addition to the compliance training that has continued to be implemented since previously, the following training was implemented

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Training Title and Content	Lecturer	Recipients
“The Crime of Interfering with Bidding, etc.”	Outside lecturer	Officers
“Lessons from the Indictment of the Company’s Employees Related to the Crime of Interfering in Bidding on a Tender for a Public Contract”	Outside lecturer	Officers
“Requirements of the Crime of Interfering in Bidding on a Tender for a Public Contract” “Matters to Comply with in Business Activities”	Outside lecturer	Personnel in charge of government business and in charge of quotations
“Compliance Training on the Crime of Interfering in Bidding on a Tender for a Public Contract”	Compliance Office	Personnel in charge of government business and in charge of quotations

Only disclosed in Japanese

- (2) Education of managers (methods of providing guidance to subordinates)
- (3) Further strengthening of ongoing items
 - Compliance training (held annually for all officers and employees (stratified))
 - Information sharing on compliance (monthly for all officers and employees)
 - Responses by whistleblower contact points (internal contact point and contact point by external attorneys)
 - Auditing of bidding process

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