

July 22, 2025
ACSL Ltd.

Notice Regarding Formulation of Recurrence Prevention Measures

As disclosed in "Notification Regarding Receipt of Investigation Report from the Special Investigation Committee," dated July 14, 2025, ACSL Ltd. ("ACSL" or the "Company") has received the report prepared by the Special Investigation Committee. Having taken the findings and recommendations seriously, ACSL has thoroughly analyzed and reviewed our internal operations. At the Board of Directors meeting held today, ACSL resolved to adopt the recurrence prevention measures described below. ACSL is firmly committed to steadily implementing these measures and to restoring the trust of our shareholders, investors, business partners, employees, and other stakeholders.

1. Analysis of Cause

The Special Investigation Committee identified the following as the root causes:

- (1) Lack of Compliance Awareness and Qualifications Required of Representative Director
- (2) Lack of Transparency in Representative Director's Execution of Business Operations and Hollowing out of Internal Control Functions
- (3) Weakness of the Governance System in Contract Execution and Disbursement Processes

2. Summary of Recurrence Prevention Measures

Based on the analysis above, the following measures have been resolved. With respect to items (1) through (3), the revisions to internal rules were resolved at the Board of Directors meeting held today and will be implemented promptly. Operational measures related to items (1) through (3), as well as the initiatives under items (4) and (5), will be implemented sequentially starting today.

- (1) Establishment of a Nomination Committee and Enhancement of Candidate Evaluation Process

ACSL will newly establish a voluntary Nomination Committee responsible for formulating policies on the appointment and dismissal of Representative Directors and Directors, and for evaluating and selecting candidates. The Nomination Committee will be composed of three independent Outside Directors and will function separately from the existing Remuneration Committee, ensuring fair and objective deliberations concerning executive appointments.

The Nomination Committee will also develop a system to obtain input from candidates themselves and relevant employees, to allow for a more holistic evaluation. In addition,

our nomination policy will incorporate qualitative criteria such as personality, insight, and governance aptitude, in addition to skills and experience, thereby enhancing the stability and transparency of mid- to long-term management.

(2) Strengthening of Oversight Functions over Business Execution by the Representative Director

ACSL will implement a system requiring mutual approval by multiple Representative Directors for important decisions such as contracts and procurements, thereby reinforcing internal checks. Prior consultations and enhanced information sharing with relevant departments will also be required to avoid unilateral decision-making.

Furthermore, information regarding the execution of duties by internal Directors, including Representative Directors, will be made visible to relevant officers to improve transparency. Even for highly confidential matters, ACSL will prohibit solitary handling and instead require that multiple Directors be involved in the decision-making and execution process.

(3) Review of Authority Regulations and Approval Criteria

ACSL will revise internal rules governing authority and approval criteria for contracts and payments. Important transactions will be subject to prior approval by the Board of Directors or equivalent bodies. Specifically, ACSL will tighten approval standards for contracts involving payments exceeding a certain threshold, advance payments to new counterparties, and irregular contracts, to prevent the erosion of internal control mechanisms.

(4) Strict Enforcement of Contract and Payment Procedures, and Enhanced Vendor Management

To prevent payments without signed contracts or retroactive processing, ACSL will prohibit deviations from established procedures and enforce a strict ban on retroactive approvals or payments. For transactions exceeding certain criteria, ACSL will ensure fair and appropriate dealings through competitive quotations and by collecting and verifying sufficient information regarding vendors' backgrounds and capabilities.

(5) Promotion of Compliance Awareness and Strengthening of Whistleblowing System

ACSL will raise compliance awareness throughout the organization by re-communicating internal rules, processes, and the whistleblowing system, and by sharing signs and case studies of misconduct through training programs. These initiatives aim to prevent violations before they occur.



Attention

This document is an unofficial translation of the timely disclosure on July 22, 2025 by ACSL and this is for reference purpose only. In case of a discrepancy between the English and Japanese versions, the Japanese original shall prevail.