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To whom it may concern

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### **Discovery of the Asia-Pacific subsidiary being subject of fraud**

Stanley Electric Co., Ltd. announces that a recent case involving fraudulent payment directions from a malicious third party that has resulted in a financial loss at our Asia-Pacific subsidiary.

Together with the Asia-Pacific subsidiary, we became aware that the directions were fraudulent shortly after the leakage. Recognizing the high possibility of criminal activity, we promptly established a team comprising legal professionals, then reported the loss to local investigating authorities. While cooperating in all aspects of the investigation, we are devoting our utmost efforts to procedures for securing/recovering the leaked funds.

We have formed an investigation committee consisting of three external lawyers. We will investigate the facts, identify the causes, propose measures to prevent recurrence and strive to prevent recurrence.

Additionally, based on the investigation results, we will consider disciplinary action against internal personnel, including management and supervision.

We plan to recognize the loss related to above incident as an extraordinary loss in this consolidated fiscal year.

#### [Outline]

Expected financial loss: Approximately 3.4 billion yen maximum (as of January 31)

Occurrence period: Early December 2023 to mid-December 2023

Regarding this matter, we are unable to disclose further details at this time due to confidentiality reasons related to the investigation. If there are any matters that should be disclosed as the investigation progresses, we will promptly disclose them.

We ask for your understanding.