September 15, 2026

To: All Concerned Stakeholders

Company	:	ID Holdings Corporation
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Notice and Apology Concerning Misconduct by an Employee of the ID Group

ID Holdings Corporation have recently discovered that an employee of the Group engaged in misconduct. While some details are still under investigation, we are providing the information currently available as outlined below to promptly inform you. We plan to disclose further details in the future based on the results of the investigation.

We deeply apologize for the significant inconvenience and concern this situation has caused to customers, shareholders, investors, business partners, and all other stakeholders.

The Group considers the trust of customers to be the foundation of business activities. We take this serious incident, which has undermined that trust extremely seriously and will address it with the utmost sincerity.

1. Overview of the Incident

It has come to light that one employee within the Group took advantage of their position to remove office equipment and other items belonging to a client company where the employee was assigned, without authorization, and sold them to a business that purchases used office supplies.

Based on the results of the investigation to date, it has been determined that the employee in question improperly received approximately 122 million yen for this misconduct.

2. Investigation into the Facts

This misconduct was uncovered on Thursday, September 3, 2026, following an urgent investigation prompted by a report received from within the Group.

After the misconduct was discovered, the Company immediately removed the employee in question from relevant duties and, in accordance with the Internal regulations, established an Emergency Response Headquarters reporting directly to our President. Over the course of approximately two weeks, the relevant internal department has been conducting an investigation to ascertain the full scope of the misconduct, including interviewing the employee, investigating the bank accounts used to receive payments, and obtaining transaction history records from the purchasing dealers. We are currently continuing our internal investigation into the following matters: (1) the period during which the misconduct occurred and the manner in which it was carried out; (2) the types, quantities, and sale prices of the affected equipment; (3) the total amount of damages incurred by customers; (4) the involvement of other individuals and the extent of such involvement; and (5) the risk of the damage spreading to other parties involved.

Based on the findings of the investigation to date, we have not confirmed that personal information or other information assets of the customers or their affiliates were provided to or sold to third parties as a result of this misconduct, nor have we confirmed the involvement of any other officers or employees in this misconduct. Furthermore, while we are conducting a review of all customers, we have not identified any similar cases.

3. Next Steps

The company considers supporting affected customers to be the top priority, and the management provides direct explanations regarding the facts currently known and the future course of action.

Regarding any damages incurred by customers because of this incident, we will promptly determine the total amount of damage and, as a matter of responsibility, provide compensation and take any other necessary measures.

Furthermore, regarding the employee in question, we will take strict disciplinary action after thoroughly investigating the facts surrounding this misconduct.

4. Management Responsibility and Measures to Prevent Recurrence

The actions taken by the employee in question significantly undermine the relationship of trust with customers—a relationship that the Group has always cherished—and are unacceptable.

The Board of Directors and management take the fact that we failed to prevent or detect this misconduct extremely seriously. We will make a solemn determination regarding management responsibility based on the results of the investigation.

Furthermore, effective today, September 15, 2026, we have established the “Business Risk Management Department,” which reports directly to our President. Going forward, we will thoroughly investigate the cause of this incident and review our operational management systems—including the Group’s internal controls, such as inventory management, segregation of duties, checks and balances, and monitoring—to formulate effective measures to prevent a recurrence and strive to restore the trust of all our stakeholders.

5. Impact on Business Performance and Financial Results Announcements

Regarding the impact of this matter on the Group’s consolidated financial results, we are currently conducting a detailed review of expenses—including compensation to customers—and have not yet reached a stage where we can reasonably estimate the impact at this time. We are also continuing to investigate whether it is necessary to restate financial results for prior fiscal years.

Please note that the announcement of financial results for the second quarter (interim period) of the fiscal year ending March 2027, scheduled for Friday, October 30, will proceed as originally planned.

Should any revisions to the earnings forecasts or other matters requiring disclosure arise in the future, we will notify you promptly.

6. Apology

The Group has always placed the utmost importance on building relationships of trust with our customers during our business activities. The entire management team deeply regrets having caused a serious incident that has undermined that trust.

We will thoroughly investigate the facts, prioritize addressing the needs of affected customers, and ensure that we clearly identify responsibility and implement measures to prevent a recurrence.

To restore trust, our management team will take the lead in implementing reforms to ensure that all executives and employees act in accordance with high ethical standards.

We once again offer our deepest apologies to our customers, shareholders, investors, business partners, and all other stakeholders.

If you have any questions regarding this matter, please contact the office listed below.

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