

May 29, 2026

Company name: MEITEC Group Holdings Inc.
Name of representative: Masato UEMURA
CEO, Representative Director and President
(Securities code: 9744; TSE Prime Market)
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Notice Regarding Results of Investigation by External Expert Team and Measures to Prevent Recurrence Concerning Interim Dividend Paid in Excess of Distributable Amount

MEITEC Group Holdings Inc. (TSE Prime: 9744) (the "Company") hereby announces the results of the investigation conducted by an external expert team, as well as measures to prevent recurrence, regarding the interim dividend paid in November 2025 in excess of the distributable amount calculated pursuant to the Companies Act and the Regulation on Corporate Accounting. This matter was previously disclosed in the Company's announcement dated May 11, 2026.

1 Background

At the Board of Directors meeting held on October 30, 2025, the Company resolved to pay an interim dividend of JPY 90 per share to shareholders of record as of September 30, 2025. The dividend became effective on November 28, 2025 (the "Interim Dividend").

Subsequently, in May 6, 2026, in the course of preparing the Company's full-year financial results for the fiscal year ended March 2026, it was identified—following comments from the accounting auditor—that the Interim Dividend had been paid in excess of the amount available for distribution as calculated pursuant to the Companies Act and the Regulation on Corporate Accounting.

In response, the Company resolved on May 11, 2026 to establish an external expert team to investigate the facts relating to the Interim Dividend, identify the cause of the matter, examine whether any responsibility exists on the part of directors or other officers, and consider measures to prevent recurrence.

2 Overview of the Investigation

(i) Purpose of the Investigation

To investigate the facts relating to the Interim Dividend, identify the cause of the matter, examine whether any responsibility exists on the part of directors or other officers, and consider measures to prevent recurrence.

(ii) Members of the Investigation Team (titles omitted; listed in no particular order)

(Note) This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

- Kaku Hirao, Attorney-at-Law (Nishimura & Asahi Gaikokuho Kyodo Jigyo)
- Masato Uchida, Attorney-at-Law (Shimizu Law Office)
- Kenji Kawae, Certified Public Accountant (FYI Inc.)

While the Company's group has received ongoing legal advice from Nishimura & Asahi (Gaikokuho Kyodo Jigyo), our group has not received any advice from Mr. Kaku Hirao, who serves as the lead member of the investigation team.

Furthermore, Mr. Masato Uchida and Mr. Kenji Kawae have no prior or existing business or other relationship with the Group.

All members of the investigation team have extensive experience in conducting investigations, including investigations as members of investigation committees, and also possess substantial expertise in internal controls and corporate governance.

3 Key Findings

The investigation identified the following:

Please refer to the attached "Investigation Report" for details.

- (i) The Company relied on a legacy Excel template for calculating distributable amounts; however, the methodology was incorrect for interim dividends.
- (ii) The Company outsourced the calculation of the amount available for distribution to the accounting department of its wholly owned subsidiary, Meitec Corporation ("Meitec"); however, no framework was in place for other departments to verify or review the distributable amount calculated by the accounting department.
- (iii) Some of the Company's directors who participated in the resolution approving the Interim Dividend were not aware of the rules under the Companies Act regarding the calculation of the amount available for distribution at the time of an interim dividend (including, among others, the requirement that provisional financial statements be prepared in order to include profits earned after the end of the most recent fiscal year in the distributable amount). In addition, although certain other directors were aware of such rules, they did not contemplate the possibility that the Interim Dividend might exceed the amount available for distribution, in light of the Company Group's historical accumulation of substantial retained earnings and its strong performance in fiscal year 2025. As a result, they did not sufficiently review the details of the calculation of the distributable amount as set forth in the materials for the Board of Directors meeting, and were unable to recognize that the calculation methodology was incorrect.
- (iv) No evidence was found that any director knowingly approved a dividend in violation of applicable laws.

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4 Root Causes

Based on the findings of the investigation conducted by the external expert team, the root causes of this matter are as follows:

- (i) Insufficient understanding of distributable amount regulations among officers and employees
- (ii) Insufficient internal control framework for calculating and verifying distributable amounts
- (iii) Overreliance on historical accumulated retained earnings and insufficient risk assessment following the transition to a holding company structure

5 Measures to Prevent Recurrence

Based on the recommendations for recurrence prevention made by the external expert team, the Company has formulated the following measures to prevent recurrence and resolved to adopt them at the Board of Directors meeting held today.

(i) Training and Education for Officers and Employees

The Company will provide periodic training to directors as well as officers and employees of each department regarding applicable laws and regulations relevant to its business operations, including the regulations on the amount available for distribution. Through such training, the Company will endeavor to ensure an accurate understanding of applicable laws and regulations, including the distributable amount regulations.

(ii) Establishment of an Appropriate Management Framework

The Company will assign appropriate personnel to the departments responsible for calculating dividend amounts and confirming the amount available for distribution, clearly define the department responsible for final review, and establish a management framework for double-checking the calculation results of the distributable amount from a legal perspective. In addition, with respect to personnel assignments, the Company will consider utilizing external resources, including external experts, in order to ensure an effective and sustainable management framework.

(iii) Identification of Risk Areas in Business Operations

The Company will conduct a comprehensive review of its business activities and operations, identify potential risks associated with each activity and operation, assess whether adequate frameworks are in place to address such identified risks, and, after considering necessary measures, implement appropriate actions.

6 Treatment of Interim Dividend

The Company will not request repayment of the Interim Dividend from shareholders.

7 Voluntary Return of Executive Compensation

To demonstrate accountability in relation to this matter, the Company has received an offer from the directors who agreed to the resolution on the interim dividend to return, in accordance with

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their respective responsibilities, an amount equivalent to 10% to 30% of one to three months' worth of their fixed monthly remuneration.

*Although the investigation report of the external expert team states that the matter is "under consideration," as described in Section 7 above, the Company has received offers from the directors who approved the Interim Dividend to return a portion of their compensation.

8 Liability of Related Parties

The findings of the external expert team with respect to the liability of the relevant parties in this matter are as follows:

(i) Criminal Liability

No director was found to have recognized the violation; therefore, no criminal liability under Article 963(5)(ii) of the Companies Act applies.

(ii) Civil Liability

The directors involved in this matter are determined to have failed to exercise due care in the performance of their duties; however, no director is found to have intentionally violated the regulations concerning distributable amounts, and the degree of culpability is considered low. Furthermore, considering that, at the time of the Interim Dividend, the dividend could have been executed without exceeding the distributable amount if appropriate procedures—such as the preparation and approval of provisional financial statements—had been duly followed, it can be said that the Interim Dividend did not give rise to a situation prejudicial to creditors. In addition, taking into account that the Company, upon receiving comments from its accounting auditor, promptly consulted external legal counsel and conducted an investigation, and that, as stated in Section 7 above, the directors have voluntarily agreed to return a portion of their compensation, it would not be unreasonable to conclude that there is no need to pursue claims for damages against the directors.

9 Auditor's Report

The Company has received an unqualified audit opinion from its accounting auditor as of today.

10 Future Prospects

As previously disclosed in the earnings report announced on May 12, 2026, the Company plans to propose a year-end dividend of JPY 106 per share for the fiscal year ended March 2026 at the Annual General Meeting of Shareholders scheduled for late June 2026.

The Company takes this matter seriously and will implement the above measures to prevent recurrence while working to further strengthen its internal control framework. The Company appreciates the understanding and continued support of its stakeholders.

End

[This document is an English translation for reference purposes only.]

May 28, 2026

Investigation Report

Investigation Team

Attorney-at-Law: Kaku Hirao

Attorney-at-Law: Masato Uchida

Certified Public Accountant: Kenji Kawae

I. Background Leading to the Investigation and Overview of the Investigation

1. Background Leading to the Investigation

On October 30, 2025, the Board of Directors of Meitec Group Holdings, Inc. (hereinafter referred to as “**Meitec HD**”) resolved to distribute an interim dividend of JPY 90 per share, with September 30 of the same year as the record date (the effective date of such dividend being November 28 of the same year), and such interim dividend (hereinafter referred to as the “**Interim Dividend**”) was distributed.

On May 6, 2026, in the course of Meitec HD’s preparation of the full-year financial results for fiscal year 2025 (fiscal year ending March 31, 2026), it was identified, following comments from the accounting auditor, that the Interim Dividend had been paid in excess of the distributable amount as stipulated under the Companies Act and the Regulation on Corporate Accounting.

In response, Meitec HD determined to conduct an investigation by an investigation team composed of external experts (hereinafter referred to as the “**Investigation**”) for the purpose of (i) investigate the relevant facts relating to the Interim Dividend, (ii) identifying the causes thereof, (iii) assessing the existence of liability of directors and other relevant persons, and (iv) proposing measures to prevent recurrence.

2. Composition of the Investigation Team

The external experts constituting the investigation team are as follows:

- Kaku Hirao (Attorney-at-Law, Nishimura & Asahi (Gaikokuho Kyodo Jigyo))
- Masato Uchida (Attorney-at-Law, Shimizu Law Office)
- Kenji Kawae (Certified Public Accountant, FYI Co., Ltd.)

In addition, the investigation team appointed 8 attorneys affiliated with Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as investigative assistants.

3. Overview of the Investigation

The Investigation was conducted from May 11, 2026 to May 27, 2026.

The investigation team reviewed relevant internal regulations of Meitec HD, including the Regulations of the Board of Directors, and examined relevant materials such as the minutes of Board of Directors meetings. In addition, the investigation team conducted interviews with a total of 10 individuals, including Masato Uemura, CEO, Representative Director and President of Meitec HD (hereinafter referred to as “**Mr. Uemura**”), as well as all other directors of Meitec HD and officers and employees of Meitec HD and Meitec Corporation.

II. Findings

1. History of Meitec HD

Meitec Corporation (hereinafter referred to as “**Meitec**”) is a company that was established in 1974 as Nagoya Technical Center Co., Ltd. and engages in the engineering solutions business¹ and other businesses. Meitec was listed on the Second Section of the Nagoya Stock Exchange in 1987, and thereafter, following its listing on the Second Section of the Tokyo Stock Exchange in 1991, it was listed on the First Section of the Tokyo Stock Exchange in 1998 (it is currently listed on the Prime Market of the Tokyo Stock Exchange).

Effective October 1, 2023, Meitec transitioned to a company with an Audit and Supervisory Committee and, concurrently, changed its trade name to Meitec Group Holdings, Inc. Thereafter, Meitec Corporation (which had changed its trade name from Meitec Split Preparation Company, Inc.; hereinafter referred to as “**Meitec (SubCo)**”)² succeeded to the engineering solutions business through an absorption-type company split. As a result, a structure was established under which Meitec HD serves as a pure holding company conducting group management of the Meitec Group, while its operating subsidiaries, including Meitec (SubCo), conduct the engineering solutions business and other businesses (hereinafter referred to as the “**Transition to Holding Company Structure**”).

Meitec (i.e. Meitec HD prior to the change of its trade name) held retained earnings of JPY 40,071 million as of the end of September 2023. Upon the Transition to Holding Company Structure, JPY 10,180 million of retained earnings were transferred to Meitec (SubCo), and JPY 29,891 million of retained earnings remained in Meitec HD.

2. Overview of the Meitec Group

The Meitec Group consists of Meitec HD and six consolidated subsidiaries, including Meitec (SubCo).

Meitec HD is a pure holding company, and its revenues primarily consist of dividends received from its consolidated subsidiaries. Since fiscal year 2024 (fiscal year ending March 31, 2025), it has received year-end dividends for the previous fiscal year from its consolidated subsidiaries each June (for fiscal year 2023 (fiscal year ending March 31, 2024), dividends were received in November of the same year

¹ The engineering solutions business is a business under which engineers possessing a high level of expertise, who are employees of Meitec, are dispatched to client companies as dispatched employees.

² In connection with the transition to a holding company structure, Meitec Split Preparation Company, Inc. was established on April 3, 2023 as the succeeding company, and, effective October 1 of the same year, the engineering solutions business of the former Meitec was succeeded to Meitec Split Preparation Company, Inc. through an absorption-type company split. Thereafter, the trade name of Meitec Split Preparation Company, Inc. was changed to “Meitec Corporation.

immediately after the Transition to Holding Company Structure).

3. Workflow for Dividends at Meitec HD

(1) Personnel in Charge of Dividend-Related Operations

Meitec HD does not have full-time employees, and it entrusts all administrative functions to Meitec (SubCo). Accordingly, accounting and dividend-related operations for Meitec HD were handled by the Accounting Section of the Accounting Department of Meitec (SubCo) (hereinafter simply referred to as the “**Accounting Section**”).

After completing the accounting closing procedures for the companies in Meitec Group and Meitec HD for each interim and full-year period, employees of the Accounting Section calculated the dividend and distributable amounts. Such calculations were reviewed by the General Manager of the Accounting Department of Meitec (SubCo), who also serves as a director of Meitec (SubCo) (hereinafter, the “**General Manager of the Accounting Department**”). In addition, in cases where the workload of the Accounting Section employees was particularly heavy, the General Manager of the Accounting Department personally performed the calculation of the dividend amount and the distributable amount.

Prior to the Transition to Holding Company Structure, during the period when Meitec operated under its former structure, from around 2009 to around 2013, Mr. Uemura, who was then the General Manager of the Corporate Information Department of Meitec, performed the calculation of the dividend amount and the distributable amount, and from around 2013, such calculation was taken over by the General Manager of the Accounting Department³ and the Accounting Section of Meitec.

(2) Examination of Dividend Amount

Within the Meitec Group, the amount of funds necessary for business operations is set at three months’ worth of consolidated monthly sales, and, where the balance of funds exceeds such necessary amount, it is the general policy that the total return ratio through dividends and acquisition of treasury shares shall not exceed 100%. In addition, dividends are, in principle, to be paid twice a year, consisting of interim and year-end dividends, with a payout ratio of at least 50%⁴. The Meitec Group has paid interim and year-end dividends every year since fiscal year 2011 (fiscal year ending March 31, 2012), and in particular, since fiscal year 2020 (fiscal year ending March 31, 2021), it has adopted a policy of returning the entirety of net income generated in the relevant fiscal year to shareholders, and has continuously implemented dividends such that the total return ratio (the ratio of shareholder returns through dividends and acquisition of treasury shares to consolidated net income attributable to owners of the parent) or the

³ The General Manager of the Accounting Department has served as the head of the accounting department since 2013, during the period when Meitec operated under its former structure.

⁴ <https://www.meitecgroup-holdings.com/en/ir/stock/dividend.html>

payout ratio (the ratio of shareholder returns through dividends alone to such net income) becomes 100%⁵.

From around 2013, during the period when Meitec operated under its former structure, employees of the Accounting Section calculated the dividend amount and the distributable amount using an Excel file embedded with formulas for such calculations (hereinafter referred to as the “**Excel File**”)⁶. The Excel File was originally created and used by Mr. Uemura, and around 2013, it was handed over by Mr. Uemura to the General Manager of the Accounting Department and the Accounting Section of Meitec.

The Excel File consisted of a sheet for examining the dividend amount and a sheet for confirming the distributable amount. The sheet for examining the dividend amount included formulas that enabled the calculation of the payout ratio upon input of figures such as net income attributable to owners of the parent determined through accounting closing procedures, together with the dividend amount per share. In addition, the sheet for confirming the distributable amount included formulas that enabled the calculation of the distributable amount by deducting the book value of treasury shares and other valuation losses from retained earnings and adding other capital surplus, upon input of figures such as retained earnings.

The Excel File did not contain separate sheets for interim and year-end dividends. When calculating the distributable amount for interim dividends, the Accounting Section input into the Excel File figures for retained earnings, etc. as of the interim period-end of the relevant fiscal year (i.e., as of the end of September of the relevant year), rather than those as of the end of the most recent fiscal year, and calculated the distributable amount based on such figures.

Under the Companies Act, the distributable amount is, in principle, to be calculated based on retained earnings, etc. as of the end of the most recent fiscal year (Article 461, paragraph (2), item (i) and Article 446, item (i) of the Companies Act), and in order to calculate the distributable amount by taking into account profits earned after the most recent fiscal year, it is necessary to follow procedures such as preparing provisional financial statements reflecting the financial condition after the most recent fiscal year, having them audited by the Audit and Supervisory Committee and the accounting auditor, and obtaining approval from the Board of Directors (hereinafter referred to as the “**Preparation and Approval of Provisional Financial Statements, etc.**”) (Article 461, paragraph (2), item (ii), (a), and Article 441, paragraphs (1) through (4) of the Companies Act). However, such procedures were not performed in connection with interim dividends.

No person within the Accounting Section was identified as having raised questions regarding such method of calculating the distributable amount at the time of interim dividends. The General Manager of the Accounting Department stated that he was not aware of the rule that, unless the Preparation and

⁵ In fiscal year 2024 (fiscal year ending March 31, 2025), a commemorative dividend for the 50th anniversary was also implemented, and the payout ratio reached 120%.

⁶ The Excel File contained continuous input of historical data since the end of March 2008, and it can be inferred that, from around 2009, the Excel File had been used in calculating the distributable amount.

Approval of Provisional Financial Statements, etc. is undertaken, interim dividends cannot be paid based on retained earnings, etc. after the most recent fiscal year.

In addition, Mr. Uemura, who was responsible for calculating the dividend amount and the distributable amount using the Excel File from around 2009 to around 2013, also calculated the distributable amount at the time of interim dividends by inputting into the Excel File not the figures for retained earnings, etc. as of the end of the most recent fiscal year, but rather the figures for retained earnings, etc. as of the end of the interim period of the relevant business year. Mr. Uemura stated that, at the time of creating and using the Excel File, he had forgotten the rule that, unless the Preparation and Approval of Provisional Financial Statements, etc. is undertaken, interim dividends cannot be paid based on retained earnings, etc. after the most recent fiscal year.

The results of the examination of the dividend amount and distributable amount conducted by the Accounting Section were, with respect to year-end dividends, sent to the Business Administration Department of Meitec (SubCo), which is responsible for the operation of the shareholders meeting of Meitec HD, and were subject to confirmation by such department. With respect to interim dividends, the results of the examination conducted by the Accounting Section were likewise sent to the Business Administration Department of Meitec (SubCo) as materials for the Board of Directors of Meitec HD; however, because the Business Administration Department was responsible only for compiling Board of Directors materials as the secretariat and distributing printed materials to each director at Board meetings, it did not review the results of the examination of the dividend amount and the distributable amount relating to interim dividends.

In addition, although legal matters at Meitec HD are handled by the Business Administration Department of Meitec (SubCo), no procedure was established for such department, in its capacity as the legal function, to review whether the dividend amount relating to interim dividends exceeded the distributable amount, nor were procedures established for any other departments or officers and employees of Meitec (SubCo) or Meitec HD to conduct such review.

4. Circumstances Leading to the Implementation of the Interim Dividend

(1) Calculation of the Amount of the Interim Dividend

As described in 3(2) above, Meitec HD had continuously implemented dividends such that the total return ratio would be 100%, and in particular, since fiscal year 2024 (fiscal year ending March 31, 2025), it had implemented dividends such that the payout ratio would be 100%. Accordingly, the Accounting Section, under the instruction of Mr. Uemura, calculated the dividend amount per share for the Interim Dividend at JPY 90 so that the payout ratio would be 100%, taking into account consolidated net income. As a result, the total amount of the Interim Dividend was approximately JPY 6,948 million.

In addition, the Accounting Section calculated the distributable amount based on retained earnings,

etc. as of the end of September 2025, and, as a result, calculated the distributable amount to be approximately JPY 16,729 million.

However, as described in 3(2) above, under the Companies Act, the distributable amount is, in principle, to be calculated based on retained earnings, etc. as of the end of the most recent fiscal year (Article 461, paragraph (2), item (i) and Article 446, item (i) of the Companies Act), and since Meitec HD had not undertaken the Preparation and Approval of Provisional Financial Statements, etc., the appropriate distributable amount for the Interim Dividend was approximately JPY 3,469 million, calculated by deducting (i) the total amount of the year-end dividend for fiscal year 2024 (fiscal year ending March 31, 2025) of approximately JPY 8,492 million, which was paid on June 20, 2025, and (ii) the total of the book value of treasury shares and the land revaluation surplus as of the end of September 2025 of approximately JPY 2,201 million, from retained earnings of Meitec HD as of the end of fiscal year 2024 (fiscal year ending March 31, 2025) of JPY 14,162 million. Accordingly, the total amount of the Interim Dividend exceeded the distributable amount by approximately JPY 3,479 million.

The results of the calculation of the dividend amount and the distributable amount for the Interim Dividend were, after confirmation by the General Manager of the Accounting Department, circulated to the Business Administration Department, which serves as the secretariat of the Board of Directors of Meitec HD, and were used as materials for the Board of Directors meeting held on October 28, 2025, as described below.

(2) Resolution of the Board of Directors

In relation to the Interim Dividend, a meeting of the Board of Directors of Meitec HD (hereinafter referred to as the “**Board of Directors Meeting**”) was held on October 28, 2025. As a prior report on the agenda item “Payment of Dividends from Surplus (53rd Interim Dividend),” Mr. Uemura, who is an executive director of Meitec HD, explained that “the payment of dividends from surplus (53rd Interim Dividend) will be implemented as set forth below in accordance with a payout ratio of 100%, based on the second quarter financial results.” All directors, including those who are members of the Audit and Supervisory Committee, attended the Board of Directors Meeting.

Materials for the Board of Directors Meeting included a document entitled “Verification of the Amount of Interim Dividend,” which contained, in the section for the calculation of the distributable amount, figures described as “actual results as of the end of September 2025.” However, it was not confirmed that Mr. Uemura, who provided the explanation, gave any particular explanation as to the fact that the distributable amount had been calculated based on figures as of the end of September 2025 rather than those as of the end of fiscal year 2024 (fiscal year ending March 31, 2025), nor was it confirmed that any director attending the Board of Directors Meeting raised any comments or concerns in this regard.

In addition, at the meeting of the Audit and Supervisory Committee held on the same date, October

28, 2025, a full-time member of the Audit and Supervisory Committee provided explanations regarding the matters deliberated and reported at the Board of Directors Meeting, including the Interim Dividend. However, no particular explanation was given regarding the fact that the distributable amount in connection with the Interim Dividend had been calculated based on figures as of the end of September 2025 rather than those as of the end of fiscal year 2024, nor was it confirmed that any member of the Audit and Supervisory Committee raised any comments or concerns in this regard.

Thereafter, unanimous written consent was obtained from all directors, and a resolution of the Board of Directors was deemed to have been adopted as of October 30, 2025, resulting in the implementation of the Interim Dividend.

It should be noted that Meitec HD had received dividends totaling approximately JPY 13,386 million from its consolidated subsidiaries in June 2025 after the end of fiscal year 2024 (fiscal year ending March 31, 2025), and therefore, if the Preparation and Approval of Provisional Financial Statements, etc. had been duly undertaken thereafter, it would have been possible for Meitec HD to implement the Interim Dividend without exceeding the distributable amount.

5. Understanding of Distributable Amount Regulations by Officers and Employees Involved in the Implementation of the Interim Dividend

The General Manager of the Accounting Department and the employees of the Accounting Section who calculated and confirmed the dividend amount and the distributable amount in connection with the Interim Dividend input, into the Excel File, figures for retained earnings, etc. as of the end of the interim period of the relevant business year, rather than the respective accounting figures for retained earnings, etc. as of the end of the most recent fiscal year, when calculating the distributable amount at the time of the implementation of the interim dividend. In doing so, they did not recognize the existence of the rule that, as a matter of law, unless procedures such as the preparation and approval of Provisional Financial Statements, etc. are undertaken, an interim dividend cannot be paid based on retained earnings, etc. after the most recent fiscal year.

In addition, the outside directors of Meitec HD (excluding directors who are members of the Audit and Supervisory Committee) and the full-time Audit and Supervisory Committee member likewise did not recognize the existence of the rule that, as a matter of law, unless procedures such as the preparation and approval of Provisional Financial Statements, etc. are undertaken, an interim dividend cannot be paid based on retained earnings, etc. after the most recent fiscal year, and did not identify this as problematic, despite the fact that, in the Board of Directors materials for the Board of Directors Meeting in, the figures labeled “actual results as of the end of September 2025” were stated in the calculation section for the distributable amount at the time of the Interim Dividend.

Two outside Audit and Supervisory Committee members of Meitec HD understood that, as a matter of law, unless procedures such as the preparation and approval of Provisional Financial Statements, etc.

are undertaken, an interim dividend cannot be paid based on retained earnings, etc. after the most recent fiscal year. However, because Meitec and Meitec HD had historically accumulated very substantial retained earnings and because performance in fiscal year 2025 (fiscal year ending March 31, 2026) had also been strong, they did not consider the possibility that the Interim Dividend might exceed the distributable amount. Accordingly, they did not pay particular attention to the results of the calculation of the distributable amount in the materials for the Board of Directors Meeting and did not notice that the calculation section for the distributable amount contained the notation “actual results as of the end of September 2025.”

Mr. Uemura had previously recognized that there existed a rule that, unless procedures such as the preparation and approval of Provisional Financial Statements, etc. are undertaken, an interim dividend cannot be paid based on retained earnings, etc. after the most recent fiscal year; however, when he created the Excel File, he forgot the existence of such rule and thereafter continued to forget the existence of such rule. Mr. Uemura stated that he placed emphasis, in operating the business, on accumulating retained earnings, etc. in substantial amounts and did not imagine that a situation would arise in which the distributable amount would become insufficient.

6. Prior Dividends

As described in 3(2) above, at Meitec HD, at least since around 2009 during the Meitec era, the dividend amount and the distributable amount had been calculated using the Excel File without distinguishing between interim dividends and year-end dividends, and, in calculating the distributable amount at the time of interim dividends, figures for retained earnings, etc. as of the end of the interim period of the relevant business year (i.e., as of the end of September of the same year), rather than the respective accounting figures for retained earnings, etc. as of the end of the most recent fiscal year, were input into the Excel File and the distributable amount was calculated.

Accordingly, Meitec and/or Meitec HD had also calculated the distributable amount using an incorrect calculation method for interim dividends implemented prior to fiscal year 2025. However, when investigation team reviewed interim dividends from fiscal year 2023 (fiscal year ending March 31, 2024) onward, the total amounts of interim dividends for fiscal year 2023 (fiscal year ending March 31, 2024) and fiscal year 2024 (fiscal year ending March 31, 2025) did not exceed the distributable amount at the relevant times, as set forth in the table below.

[Distributable Amount at the Time of Interim Dividends]

| | Fiscal Year 2023 | Fiscal Year 2024 | Fiscal Year 2025 |
|--|---|---|---|
| Interim dividend amount (total) | JPY 44 per share (approximately JPY 3,450 million) | JPY 88 per share (including JPY 15 commemorative dividend for the 50th anniversary) (approximately JPY 6,794 million) | JPY 90 per share (approximately JPY 6,948 million) |
| Distributable amount calculated by Meitec HD | approximately JPY 21,399 million | approximately JPY 18,710 million | approximately JPY 16,729 million |
| Verified distributable amount | approximately JPY 15,686 million | approximately JPY 11,900 million | approximately JPY 3,469 million |
| Primary reason for discrepancy | Addition of standalone profits for April–September 2023 | Addition of standalone profits for April–September 2024 | Addition of standalone profits for April–September 2025 |
| Whether excess occurred | None Note: Treasury share acquisitions were conducted during the period from November 10, 2023 to February 16, 2024, requiring a maximum deduction of approximately JPY 3,500 million; however, even taking such deduction into account, no excess was identified. | None | Yes (approximately JPY 3,479 million) |

7. Causes of the Interim Dividend Being Implemented in Excess of the Distributable Amount under the Companies Act and the Regulation on Corporate Accounting

It is considered that the causes of the Interim Dividend being implemented in excess of the distributable amount under the Companies Act and the Regulation on Corporate Accounting at Meitec HD are as follows.

(1) Insufficient Understanding of Distributable Amount Regulations by Officers and Employees

As described in 5 above, at Meitec HD, the officers and employees of the department responsible for calculating the distributable amount (the Accounting Section of Meitec (SubCo)) did not correctly understand the rules under the Companies Act regarding the calculation of the distributable amount at the time of interim dividends and calculated the distributable amount for interim dividends using an incorrect method.

In addition, as described in 3(2) and 5 above, some of the directors of Meitec HD also did not correctly understand the rules under the Companies Act regarding the distributable amount at the time of interim dividends.

Such lack of understanding, by officers and employees of Meitec HD and Meitec (SubCo), regarding the rules under the Companies Act for calculating the distributable amount at the time of interim dividends is considered to have been the direct cause of the Interim Dividend being implemented in excess of the distributable amount under the Companies Act and the Regulation on Corporate Accounting.

(2) Deficiencies in the Management System Relating to the Distributable Amount

As described in 3 above, the results of the calculation of the dividend amount and the distributable amount for interim dividends by the Accounting Section were only reviewed by the General Manager of the Accounting Department, and were not subject to review by other departments or other officers and employees of Meitec (SubCo) or Meitec HD. The General Manager of the Accounting Department, in considering the dividend amount and calculating the distributable amount, merely used the Excel File and did not confirm the provisions of the Companies Act regarding the calculation of the distributable amount at the time of interim dividends. In the first place, no personnel with an understanding of appropriate methods for calculating the distributable amount had been assigned to the Accounting Section.

In addition, while the operations of Meitec HD are in principle entrusted to Meitec (SubCo), and legal matters are handled by the Business Administration Department of Meitec (SubCo), dividends were positioned as operations related to accounting matters, and no system had been established under which the Business Administration Department of Meitec (SubCo) would review whether the total amount of interim dividends examined by the General Manager of the Accounting Department and the Accounting Section exceeded the distributable amount.

Accordingly, at Meitec HD, personnel with appropriate capabilities had not been assigned to the Accounting Section, which is responsible for examining whether the total amount of interim dividends exceeds the distributable amount, and a management system had not been established under which persons with high legal expertise would conduct multi-layered reviews of the results of the Accounting

Section's examination.

Furthermore, among officers and employees of the Business Administration Department of Meitec (SubCo), some stated that they understood the scope of responsibilities of such department to cover matters relating to the business operations of the Meitec Group, such as the review of contracts, verification of legal compliance in business operations, and handling of litigation and regulatory approvals, while others stated that it was unclear whether legal matters specific to Meitec HD, such as the payment of dividends and timely disclosure, should fall within the scope of responsibilities of the Business Administration Department of Meitec (SubCo). In circumstances where Meitec HD does not have its own full-time employees, the fact that it was not clearly defined which department bears responsibility for confirming the legal compliance of dividends implemented by Meitec HD is also considered to have been a cause of the Interim Dividend being implemented in excess of the distributable amount under the Companies Act and the Regulation on Corporate Accounting.

(3) Overreliance on Historically Substantial Retained Earnings and Insufficient Consideration of Risks Associated with the Transition to a Holding Company Structure

Officers and employees of Meitec HD who were subject to interviews uniformly stated that, because Meitec HD had maintained substantial retained earnings throughout the Meitec era, they had not anticipated at all that the Interim Dividend would exceed the distributable amount.

In addition, as described in 5 above, Mr. Uemura had been responsible for calculating the dividend amount and the distributable amount from around 2009 to around 2013, and at that time, Meitec was in a financial condition where, even if the total return ratio were set at 100%, there was no realistic possibility that the total amount of dividends would exceed the distributable amount. As a result, he did not pay attention to the method of calculating the distributable amount at the time of interim dividends, and such understanding continued through to the Interim Dividend.

It is true that, during the Meitec era prior to the Transition to Holding Company Structure, retained earnings ranged from approximately JPY 20,000 million to JPY 30,000 million from 2018 through immediately prior to the Transition to Holding Company Structure in March 2023, while net income for each fiscal year remained below JPY 10,000 million, and in light of this, it would not be unnatural for directors to have held such an understanding. However, as described in 1 above, upon the Transition to Holding Company Structure, Meitec HD transferred JPY 10,180 million of retained earnings to Meitec (SubCo), and, as described in 3(2) above, implemented, in fiscal year 2024 (fiscal year ending March 31, 2025), a commemorative dividend for the 50th anniversary with a higher payout ratio (120%) than usual, as a result of which the distributable amount as of March 31, 2025 had decreased to approximately JPY 11,900 million. In light of these circumstances, officers and employees of Meitec HD should have recognized the risk that dividends could be implemented in excess of the distributable amount depending on the total amount of dividends.

In addition, as described in 2 above, the revenue structure of Meitec HD is primarily based on dividend

income received from consolidated subsidiaries, and given that such dividends are typically received from consolidated subsidiaries in June each year, it should have been recognized that careful consideration was particularly necessary with respect to the distributable amount at the time of interim dividends. In this regard, no facts were confirmed indicating that, at the time of the Transition to Holding Company Structure, any internal discussions had taken place regarding the risk that the distributable amount might become insufficient at the time of interim dividends due to Meitec HD's primary revenue source consisting of dividends from consolidated subsidiaries.

Accordingly, the overreliance on historically substantial retained earnings at Meitec and the insufficient consideration of risks associated with the Transition to Holding Company Structure must be evaluated as having been one of the causes of the Interim Dividend being implemented in excess of the distributable amount under the Companies Act and the Regulation on Corporate Accounting.

8. Measures to Prevent Recurrence

(1) Education and Training for Officers and Employees

At Meitec HD and Meitec (SubCo), many officers and employees did not possess accurate legal knowledge regarding the regulations on distributable amounts, and over a long period of time, when calculating the distributable amount at the time of interim dividends using the Excel File, no person within the company, including the directors of Meitec HD, questioned the fact that figures as of the end of September of the relevant year, rather than figures for retained earnings, etc. as of the end of the most recent fiscal year, were used.

For officers and employees of each department to accurately understand the laws and regulations applicable to the operations for which they are responsible, and for directors to accurately understand the laws and regulations relating to matters resolved or reported at meetings of the Board of Directors, constitutes a fundamental prerequisite for conducting business in compliance with applicable laws and regulations.

Accordingly, it is self-evident that Meitec HD must, going forward, implement periodic training concerning legal regulations to be observed in the course of its operations, including the regulations on distributable amounts.

(2) Establishment of an Appropriate Management System

As described in 7(2) above, at Meitec HD, the legality of interim dividends had effectively been left solely to the General Manager of the Accounting Department, and a management system under which persons with high levels of expertise would conduct multi-layered reviews of the results of the Accounting Section's examination had not been established. In addition to assigning personnel with

appropriate capabilities to the department responsible for calculating dividend amounts and confirming the distributable amount, in light of the fact that dividends constitute a significant matter that may impair corporate assets, it is also necessary to establish a management system under which the results of the calculation of the distributable amount and related matters are subject to a double-check from a legal perspective.

Furthermore, when Meitec HD implements dividends from surplus, it is necessary to clearly define which department is responsible for the final confirmation that the distributable amount has not been exceeded.

In addition, as the assignment of personnel may not necessarily be achievable in a short period of time, it is necessary to consider the above measures, including the utilization of external resources such as outside experts, so as to establish an effective and sustainable management system.

(3) Identification of Risk Areas in Business Operations

As described in 7(3) above, at Meitec HD, due to the transfer of retained earnings, etc. to Meitec (SubCo) upon the Transition to Holding Company Structure and the implementation of the commemorative dividend for the 50th anniversary in fiscal year 2024 (fiscal year ending March 31, 2025), retained earnings had decreased, and there existed a risk that the total amount of dividends might exceed the distributable amount; however, officers and employees of Meitec HD were not able to recognize this risk. In addition, at the time of the Transition to Holding Company Structure, Meitec HD did not sufficiently consider what risks would arise as a result of changes in its revenue structure. Furthermore, as pointed out in 7(2) above, it had not been clearly defined which department is responsible for confirming that the implementation of dividends from surplus by Meitec HD does not exceed the distributable amount.

Accordingly, Meitec HD should revisit and review its own business activities and operational processes, identify what risks exist in each business activity and operation, examine whether a system has been established to address the identified risks, and, upon considering necessary measures, implement appropriate responses.

9. Responsibility of Relevant Parties

(1) Criminal Liability

Article 963, paragraph (5), item (ii) of the Companies Act sets forth criminal penalties for directors who pay dividends from surplus in violation of the restrictions on the source of funds.

Criminal liability under this provision is recognized only for persons with intent; however, no director of Meitec HD was found to have recognized that the Interim Dividend violated the regulations on distributable amounts, and therefore criminal liability under Article 963, paragraph (5), item (ii) of the

Companies Act is not recognized.

(2) Civil Liability

Directors who proposed an agenda item for an unlawful dividend and directors who approved such proposal are liable to compensate for damages unless they prove that they “did not fail to exercise due care with respect to the performance of their duties ” (Article 461, paragraph (1), item (viii), paragraph (2), Article 462, paragraph (1), item (vi), paragraph (2) of the Companies Act, and Article 159, item (viii) of the Regulation on Corporate Accounting).

The materials for the Board of Directors Meeting included, in relation to the Interim Dividend, a document entitled “Verification of the Amount of Interim Dividend,” in which the section for the calculation of the distributable amount contained figures labeled “actual results as of the end of September 2025.” However, none of the directors of Meitec HD, including Mr. Uemura, raised any question as to the fact that the distributable amount had been calculated based on figures as of the end of September 2025 rather than figures as of the end of fiscal year 2024 (fiscal year ending March 31, 2025).

Although some directors of Meitec HD did not recognize the rules under the Companies Act regarding the calculation of the distributable amount at the time of interim dividends, it must be said that, insofar as they were making resolutions as directors, they should have confirmed such rules.

In light of the foregoing, it is recognized that the directors of Meitec HD, including Mr. Uemura, breached their duty of care in performing their duties.

However, as described in (1) above, no person in this case was found to have intentionally violated the regulations on distributable amounts, and the maliciousness of the conduct is low. In addition, as described in 4(2) above, at Meitec HD, if the Preparation and Approval of Provisional Financial Statements, etc. had been appropriately undertaken at the time of the Interim Dividend, it would have been possible to implement the Interim Dividend without exceeding the distributable amount, and thus it can be said that the Interim Dividend did not cause harm to creditors. Furthermore, taking into account that Meitec HD promptly consulted external counsel and initiated an investigation upon receiving comments from the accounting auditor, and that it is considering voluntary reductions in directors’ compensation, even if Meitec HD determines that it is not necessary to pursue compensation liability against its directors, such determination cannot be said to be unreasonable.

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