

May 10, 2016

Company Name: Meitec Corporation
 Representative: Hideyo Kokubun
 President, Group CEO
 Code No.: 9744 TSE 1st Section

Notice Regarding Reduction of Capital Stock and Legal Capital Surplus

Meitec Corporation (the Company) adopted a resolution, at the Board of Directors Meeting of the Company held on May 10, 2016, on submission of the proposals below with respect to reduction of capital stock and legal capital surplus to the annual general meeting of shareholders which is planned to be held on June 23, 2016.

1. Purpose of Reduction of Capital Stock and Legal Capital Surplus

Based on our Basic Policy Regarding Profit Distribution, the main purpose is to secure the funds for retirement of treasury shares which will continue to be purchased.

2. Procedures for Reducing the Amount of Capital Stock and Legal Capital Surplus

(1) Amount of capital stock and legal capital surplus to be reduced

(Unit: Yen)	End of March, 2016	Amount to be reduced	After the reduction
Capital Stock	16,825,881,911	(11,825,881,911)	5,000,000,000
Legal Capital Surplus	4,210,000,000	(2,960,000,000)	1,250,000,000

(2) Method of reducing the capital stock

The capital stock will be reduced without compensation. The reduction of capital stock will entail no change of the number of issued shares outstanding, which will be transferred to other capital surplus.

(3) Method of reducing the legal capital surplus

The legal capital surplus will be reduced by transferring the reduced amount to other capital surplus.

* “Total amount of reduction of capital stock and legal capital surplus” and “Increase of other capital surplus” are the same amount. Accordingly, there is no change in “Total amount of shareholders’ equity.”

3. Schedule of Reduction of Capital Stock and Legal Capital Surplus

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|---------------------------------------------------------------------------------|---------------------------|
| (1) Date of resolution of the Board of Directors Meeting: | May 10, 2016 |
| (2) Date of public notice for formal call for objection and claim by creditors: | May 11, 2016 (projected) |
| (3) Final date of formal call for objection and claim by the creditors: | June 11, 2016 (projected) |
| (4) Date of resolution of the annual general meeting of shareholders: | June 23, 2016 (projected) |
| (5) Effective date: | June 23, 2016 (projected) |

4. Future Outlook

These transactions relate to a transfer among items in “Net Assets” and gives rise to no changes in the amount of the Company’s net assets. There will be no material effect on the performance results of the Company.

These transactions will be subject to the approval of the annual general meeting of shareholders planned to be held on June 23, 2016.

End