

Company Name: Universal Entertainment Corporation
Representative: Jun Fujimoto
Representative Director, President,
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(TSE STANDARD Code: 6425)
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(Correction) Notice of Partial Correction to “Notice Regarding Judgment in Shareholders' Representative Suit Against Representative Director of the Company” (English Version)

Universal Entertainment Corporation (hereinafter referred to as the “Company”) hereby announces that part of the information stated in the “Notice Regarding Judgment in Shareholders' Representative Suit Against Representative Director of the Company” (English Version) that the Company disclosed on April 26, 2024 contained items that require correction.

Please note that only the “English Version” and not the “Japanese Version” requires revision.

Details of this matter are as follows.

1. Reason for Correction

It became clear that information stated in the “Notice Regarding Judgment in Shareholders' Representative Suit Against Representative Director of the Company” (English Version) dated April 26, 2024 required partial correction.

2. Corrected Parts

The corrected parts are underlined below.

[Prior to Correction]

1. Background of the lawsuit from the filing of the lawsuit to the judgment

On August 26, 2019, one shareholder of the Company filed a lawsuit against the Company's Representative Director in the Tokyo District Court, demanding that the Company's Representative Director compensate the Company for the amount of US \$4,349,203.80 and the corresponding penalty for delay, alleging that he caused the Company to transfer US \$4,349,203.80 outside the Company without reasonable necessity and without following internal decision-making procedures, thereby breaching his fiduciary duty or duty of loyalty as a director of the Company. On June 30, 2022, the Tokyo District Court rejected the above claim by the Company's shareholders, finding that the Company had passed the necessary Board of Directors resolution, and concluded that the decision by the Company's Representative Director regarding the remittance was not materially unreasonable as a decision by the Company's directors, and therefore, did not conclude that the Company's Representative Director had breached his fiduciary duty as a director of the Company.

The plaintiff, a shareholder of the Company, appealed to the Tokyo High Court on July 13, 2022 against this ruling of the first judgment, and the Tokyo High Court rendered the judgment on April 25, 2022.

2. Content of the judgement

The Tokyo High Court ruled that the Company's Representative Director breached his fiducial duty or duty of loyalty as a director and was liable for compensation to the Company, and that a claim for compensation in the amount of 4,349,203.80 U.S. dollars and the corresponding penalty for delay was allowed.

(Remainder omitted)

[Following Correction]

1. Background of the lawsuit from the filing of the lawsuit to the judgment

On August 26, 2019, one shareholder of the Company filed a lawsuit against the Company's Representative Director in the Tokyo District Court, demanding that the Company's Representative Director compensate the Company for the amount of US \$43,497,203.80 and the corresponding penalty for delay, alleging that he caused the Company to transfer US \$43,497,203.80 outside the Company without reasonable necessity and without following internal decision-making procedures, thereby breaching his fiduciary duty or duty of loyalty as a director of the Company. On June 30, 2022, the Tokyo District Court rejected the above claim by the Company's shareholders, finding that the Company had passed the necessary Board of Directors resolution, and concluded that the decision by the Company's Representative Director regarding the remittance was not materially unreasonable as a decision by the Company's directors, and therefore, did not conclude that the Company's Representative Director had breached his fiduciary duty as a director of the Company.

The plaintiff, a shareholder of the Company, appealed to the Tokyo High Court on July 13, 2022 against this ruling of the first judgment, and the Tokyo High Court rendered the judgment on April 25, 2022.

2. Content of the judgement

The Tokyo High Court ruled that the Company's Representative Director breached his fiducial duty or duty of loyalty as a director and was liable for compensation to the Company, and that a claim for compensation in the amount of 43,497,203.80 U.S. dollars and the corresponding penalty for delay was allowed.

(Remainder omitted)