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Notice of Partial Changes to the Articles of Incorporation in Line with the Transition to a Company with Audit & Supervisory Committee

As announced in “Notice Concerning Holding of Extraordinary General Shareholders’ Meeting and Determination of Proposal Items” and “Notice of Transition to Company with Audit & Supervisory Committee and Changes in Officers” released today, Universal Entertainment Corporation (hereinafter referred to as “UEC”) resolved to transit from a company with Audit & Supervisory Board to a company with Audit & Supervisory Committee in the Board Meeting held today subject to the approval of the resolution at the extraordinary general shareholders’ meeting to be held on July 23, 2025 (hereinafter referred to as “the Extraordinary Shareholders’ Meeting”).

For the transition to a different board structure, the submission of a proposal regarding to the following changes to the Articles of Incorporation at the Extraordinary Shareholders’ Meeting is resolved in the Board Meeting held today. Details are as follows.

1. Reasons for Changes

(1) As announced in “Notice Concerning Holding of Extraordinary General Shareholders’ Meeting and Determination of Proposal Items” and “Notice of Transition to Company with Audit & Supervisory Committee and Changes in Officers”, UEC is to transit to a company with Audit & Supervisory Committee. By changing the status of members of the Audit & Supervisory Board, which oversees the performance of the directors, to members of the Board who have the right to cast a vote at the Board Meeting, corporate governance is expected to be strengthened with the enhancement of the supervisory function of the Board and hence creating a more powerful framework for the oversight function of management. The proposed revisions to the Articles of Incorporation include new provisions for directors serving as Audit & Supervisory Committee members and the Audit & Supervisory Committee as well as deletions of provisions for Audit & Supervisory Board members and the Audit & Supervisory Board, and other necessary changes.

(2) In addition, revisions to wording, article numbers, and other related items as required by the changes above.

2. Description of Changes

The proposed changes are shown in the attachment.

3. Schedule

Scheduled convocation date for the Extraordinary

Shareholders’ Meeting to change the Articles of Incorporation: Wednesday, July 23, 2025 (tentative)

Effective date of changes to the Articles of Incorporation: Wednesday, July 23, 2025 (tentative)

[Attachment] Proposed Changes to Articles of Incorporation

(Parts to be changed have been underlined.)

Existing Articles	Proposed Changes
<p>Chapter 1. General Provisions</p> <p>Articles 1-3 (Text omitted)</p> <p>(Organs)</p> <p>Article 4</p> <p>The Company establishes the following organs other than Shareholders' Meeting and Directors:</p> <ol style="list-style-type: none"> 1. Board of Directors, 2. <u>Audit & Supervisory Board Members,</u> 3. <u>Audit & Supervisory Board, and</u> 4. <u>Accounting Auditors.</u> <p>Article 5 (Text omitted)</p> <p>Chapter 2. Shares</p> <p>Articles 6-11 (Text omitted)</p> <p>(Administrator of Shareholder Registry)</p> <p>Article 12</p> <p>(Text omitted)</p> <p>(2) The administrator of shareholder registry and the place for handling of its affairs shall be determined by the Board of Directors.</p> <p>(3) (Text omitted)</p> <p>Chapter 3. Preferred Stock</p> <p>(Preferred Dividends)</p> <p>Article 13</p> <p>When the Company pays a dividend from surplus in accordance with Article <u>52</u>, shareholders holding preferred stock ("preferred stockholders") and registered pledgees of preferred stock ("registered preferred stock pledgees") receive prior to shareholders holding common stock ("common stockholders") and registered pledgees of common stock ("registered common stock pledgees") a dividend from surplus equal to the amount paid per share of preferred stock when issued multiplied by the annual dividend rate (maximum of 10%) determined by the Board of Directors before the preferred stock was issued ("preferred dividend").</p> <p>(2) and (3) (Text omitted)</p> <p>Articles 14-21 (Text omitted)</p>	<p>Chapter 1. General Provisions</p> <p>Articles 1-3 (No changes)</p> <p>(Organs)</p> <p>Article 4</p> <p>The Company establishes the following organs other than Shareholders' Meeting and Directors:</p> <ol style="list-style-type: none"> 1. Board of Directors, 2. <u>Audit & Supervisory Committee,</u> (Delete) 3. <u>Accounting Auditors.</u> <p>Article 5 (No changes)</p> <p>Chapter 2. Shares</p> <p>Articles 6-11 (No changes)</p> <p>(Administrator of Shareholder Registry)</p> <p>Article 12</p> <p>(No changes)</p> <p>(2) The administrator of shareholder registry and the place for handling of its affairs shall be determined by the Board of Directors <u>or a Director delegated by resolution of the Board of Directors.</u></p> <p>(3) (No changes)</p> <p>Chapter 3. Preferred Stock</p> <p>(Preferred Dividends)</p> <p>Article 13</p> <p>When the Company pays a dividend from surplus in accordance with Article <u>48</u>, shareholders holding preferred stock ("preferred stockholders") and registered pledgees of preferred stock ("registered preferred stock pledgees") receive prior to shareholders holding common stock ("common stockholders") and registered pledgees of common stock ("registered common stock pledgees") a dividend from surplus equal to the amount paid per share of preferred stock when issued multiplied by the annual dividend rate (maximum of 10%) determined by the Board of Directors before the preferred stock was issued ("preferred dividend").</p> <p>(2) and (3) (No changes)</p> <p>Articles 14-21 (No changes)</p>

(Parts to be changed have been underlined.)

Existing Articles	Proposed Changes
<p>Chapter 4. Shareholders Meetings Articles 22-28 (Text omitted)</p> <p>Chapter 5. Directors and Board of Directors (Number of Directors) Article 29 The number of Directors of the Company shall be 10 or less. (Newly Established)</p> <p>(Method of Election of Directors) Article 30 (Text omitted) (2) (Text omitted) (Newly Established)</p> <p>(2) (Text omitted)</p> <p>(Directors' Term of Office) Article 31 Directors' term of office shall continue until the conclusion of the Annual Shareholders Meeting for the last business year which ends within <u>2</u> years from the time of their election. (Newly Established)</p> <p>(2) The term of office for Directors elected as a substitute for a Director who resigned prior to the expiration of his/her term of office or Directors elected due to an increase in the number of Directors shall be the same as the remainder of the term of office for the predecessor Director or other existing Directors.</p>	<p>Chapter 4. Shareholders Meetings Articles 22-28 (No changes)</p> <p>Chapter 5. Directors and Board of Directors (Number of Directors) Article 29 The number of Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> of the Company shall be 10 or less. <u>(2) The number of Directors who are Audit and Supervisory Committee Members of the Company shall be 5 or less.</u></p> <p>(Method of Election of Directors) Article 30 (No changes) (2) (No changes) <u>(3) Directors who are elected in accordance with the provisions of the first paragraph will be elected as either Directors who are Audit & Supervisory Committee Members or as other Directors.</u> (4) (No changes)</p> <p>(Directors' Term of Office) Article 31 The term of office Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> shall continue until the conclusion of the Annual Shareholders Meeting for the last business year which ends within <u>1</u> year from the time of their election. <u>(2) The term of office of Directors who are Audit & Supervisory Committee Members shall continue until the conclusion of the Annual Shareholders Meeting for the last business year which ends within 2 years from the time of their election.</u> <u>(3) The term of office for Directors (excluding Directors who are Audit & Supervisory Committee Members) elected as a substitute for a Director who resigned prior to the expiration of his/her term of office or Directors (excluding Directors who are Audit & Supervisory Committee Members) elected due to an increase in the number of Directors shall be the same as the remainder of the term of office for the predecessor Director or other existing Directors.</u></p>

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Existing Articles	Proposed Changes
(Newly Established)	<u>(4) The term of office for Directors elected as a substitute for a Director who is an Audit & Supervisory Committee Member and resigned prior to the expiration of his/her term of office will end at the end of the term of office of the predecessor Director.</u>
(Representative Director and Directors with Titles) Article 32 The Company shall elect a Representative Director in accordance with resolutions by the Board of Directors.	(Representative Director and Directors with Titles) Article 32 The Company shall elect <u>from among the Directors (excluding Directors who are Audit & Supervisory Committee Members)</u> a Representative Director in accordance with resolutions by the Board of Directors.
(2) The Company may elect one Director and President in accordance with resolutions by the Board of Directors, and may elect one Chairman of the Board of Directors, a few Vice Chairmen of the Board of Directors, Director and Vice Presidents, Senior Managing Directors and Managing Directors as necessary.	(2) The Company may elect <u>from among the Directors (excluding Directors who are Audit & Supervisory Committee Members)</u> one Director and President in accordance with resolutions by the Board of Directors, and may elect one Chairman of the Board of Directors, a few Vice Chairmen of the Board of Directors, Director and Vice Presidents, Senior Managing Directors and Managing Directors as necessary.
Article 33 (Text omitted)	Article 33 (No changes)
(Convocation Notice for the Board of Directors Meeting) Article 34 A notice to call the Board of Directors meeting shall be dispatched to each Director <u>and each Audit & Supervisory Board Member</u> no later than 3 days prior to the meeting; provided, however, that this period may be shortened if there is urgent necessity.	(Convocation Notice for the Board of Directors Meeting) Article 34 A notice to call the Board of Directors meeting shall be dispatched to each Director no later than 3 days prior to the meeting; provided, however, that this period may be shortened if there is urgent necessity.
(2) The Board of Directors meeting may be held without going through the procedure of convocation if all the Directors <u>and Audit & Supervisory Board Members</u> are in agreement.	(2) The Board of Directors meeting may be held without going through the procedure of convocation if all the Directors are in agreement.
Articles 35-37 (Text omitted)	Articles 35-37 ((No changes)
(Remuneration, etc. of Directors) Article 38 Directors' remunerations, bonuses and other financial benefits received from the Company as considerations for execution of their duties	(Remuneration, etc. of Directors) Article 38 Directors' remuneration, bonuses and other financial benefits received from the Company as considerations for the execution of their duties

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Existing Articles	Proposed Changes
<p>(hereinafter referred to as the “Compensations, etc.”) shall be determined by the resolution of the Shareholders Meeting.</p> <p>(Newly Established)</p>	<p>(hereinafter referred to as the “Compensation, etc.”) shall be determined <u>by separate resolutions of the Shareholders Meeting for Directors who are Audit & Supervisory Committee Members and other Directors.</u></p> <p><u>(Delegation of Decision-making on Important Business Execution)</u></p> <p><u>Article 39</u></p> <p><u>The Company may, pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, delegate all or part of the decisions on the execution of important business (excluding the matters listed in the items of Paragraph 5 of the same Article) to the Directors by a resolution of the Board of Directors.</u></p>
<p><u>Chapter 6. Audit & Supervisory Board Members and Audit & Supervisory Board</u></p> <p><u>(Number of Audit & Supervisory Board Members)</u></p> <p><u>Article 39</u></p> <p><u>The number of Audit & Supervisory Board Members of the Company shall be five or less.</u></p>	<p>(Deleted)</p>
<p><u>(Method of Election of Audit & Supervisory Board Members)</u></p> <p><u>Article 40</u></p> <p><u>Audit & Supervisory Board Members of the Company shall be elected at a Shareholders Meeting.</u></p> <p><u>(2) The resolution to elect Audit & Supervisory Board Members shall be made by a majority or more of the votes of shareholders present at the Shareholders Meeting where the shareholders holding one third or more of the voting rights of shareholders entitled to exercise their votes at such meeting are present.</u></p>	<p>(Deleted)</p>
<p><u>(Audit & Supervisory Board Members’ Term of Office)</u></p> <p><u>Article 41</u></p> <p><u>Audit & Supervisory Board Members’ term of office shall continue until the conclusion of the Annual Shareholders Meeting for the last business year which ends within 4 years from the time of their election.</u></p> <p><u>(2) The term of office for Audit & Supervisory Board</u></p>	<p>(Deleted)</p>

(Parts to be changed have been underlined.)

Existing Articles	Proposed Changes
<p><u>Members elected as a substitute for an Audit & Supervisory Board Member who resigned prior to the expiration of his/her term of office shall continue until the time of the expiration of the term of office of the retired Audit & Supervisory Board Member.</u></p>	
<p><u>(Full-time Audit & Supervisory Board Member)</u> <u>Article 42</u> <u>The Company shall elect full-time Audit & Supervisory Board Members with the resolution at the Board of Directors Meeting.</u></p>	(Deleted)
<p><u>(Convocation Notice for the Audit & Supervisory Board Meeting)</u> <u>Article 43</u> <u>A notice to call the Audit & Supervisory Board meeting shall be dispatched to each Audit & Supervisory Board Member no later than 3 days prior to the meeting; provided, however, that this period may be shortened if there is urgent necessity.</u> <u>(2) The Audit & Supervisory Board meeting may be held without going through the procedure of convocation if all the Audit & Supervisory Board Members are in agreement.</u></p>	(Deleted)
<p><u>(Method of Resolution of the Audit & Supervisory Board)</u> <u>Article 44</u> <u>Unless otherwise provided by laws and regulations, resolutions at the Audit & Supervisory Board Meetings shall be made with the majority or more of the Audit & Supervisory Board Members.</u></p>	(Deleted)
<p><u>(Rules of the Audit & Supervisory Board)</u> <u>Article 45</u> <u>Matters regarding the Audit & Supervisory Board shall be governed by laws and regulations and the Articles of Incorporation, as well as Rules of the Audit & Supervisory Board stipulated by the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>(Exemption from Liabilities of Audit & Supervisory Board Members)</u> <u>Article 46</u> <u>The Company may, pursuant to Paragraph 1,</u></p>	(Deleted)

(Parts to be changed have been underlined.)

Existing Articles	Proposed Changes
<p><u>Article 426 of Companies Act, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from their liabilities provided in Paragraph 1, Article 423 of Companies Act, to the extent permitted by laws and regulations, based upon a resolution adopted by the Board of Directors.</u></p> <p><u>(2) The Company may, pursuant to Paragraph 1, Article 427 of Companies Act, enter into contracts with Audit & Supervisory Board Members to limit the liabilities provided in Paragraph 1, Article 423 of Companies Act; provided, however, that their liabilities based on the contracts shall be limited to either an amount specified in advance which shall be 1 million yen or more, or the amount stipulated in laws and regulations, whichever is higher.</u></p> <p><u>(Remunerations, etc. of Audit & Supervisory Board Members)</u></p> <p><u>Article 47</u></p> <p><u>Audit & Supervisory Board Members' remunerations, etc. shall be determined by the resolution of the Shareholders Meeting.</u></p> <p>(Newly Established)</p> <p>(Newly Established)</p> <p>(Newly Established)</p> <p>(Newly Established)</p>	<p>(Deleted)</p> <p><u>Chapter 6. Audit & Supervisory Committee</u> <u>(Authority of the Audit & Supervisory Committee)</u></p> <p><u>Article 40</u></p> <p><u>The Audit & Supervisory Committee determines matters designated by laws and regulations and may exercise other rights as required to perform the duties of this committee.</u></p> <p><u>(Convocation Notice for the Audit & Supervisory Committee Meeting)</u></p> <p><u>Article 41</u></p> <p><u>A notice to call the Audit & Supervisory Committee meeting shall be dispatched to each Audit & Supervisory Board Member no later than 3 days prior to the meeting; provided.</u></p> <p><u>(2) The Audit & Supervisory Committee meeting may be held without going through the procedure of convocation if all the Audit & Supervisory Committee Members are in agreement.</u></p> <p><u>(Full-time Audit & Supervisory Committee Member)</u></p> <p><u>Article 42</u></p> <p><u>The Company shall elect full-time Audit &</u></p>

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Existing Articles	Proposed Changes
(Newly Established)	<u>Supervisory Committee Members with the resolution by the Audit & Supervisory Committee.</u> <u>(Rules of the Audit & Supervisory Committee)</u> <u>Article 43</u> <u>Matters regarding the Audit & Supervisory Committee shall be governed by laws and regulations and the Articles of Incorporation, as well as Rules of the Audit & Supervisory Committee stipulated by the Audit & Supervisory Committee.</u>
Chapter 7. Accounting Auditors Articles <u>48-49</u> (Text omitted)	Chapter 7. Accounting Auditors Articles <u>44-45</u> (No changes)
(Remunerations, etc. of Accounting Auditors) Article <u>50</u> Accounting Auditors' remunerations, etc. shall be determined by Representative Director with the approval of the <u>Audit & Supervisory Board</u> .	(Remunerations, etc. of Accounting Auditors) Article <u>46</u> Accounting Auditors' remunerations, etc. shall be determined by Representative Director with the approval of the <u>Audit & Supervisory Committee</u> .
Chapter 8. Accounting Articles <u>51-54</u> (Text omitted)	Chapter 8. Accounting Articles <u>47-50</u> (No changes)
(Newly Established)	<u>Supplementary Provisions</u> <u>(Transitional Measure for Directors' Exemption from Liability)</u> <u>For the liability exemption for Audit & Supervisory Board Members (including former members) concerning actions prior to the enactment of the partial amendments to the Articles of Incorporation (hereinafter referred to as the "partial amendments") if approved at the July 23, 2025 Extraordinary Shareholders Meeting and for the contract between the Company and the Audit & Supervisory Board Members prior to the enactment of the partial amendments for liability limitation as prescribed in Article 423-1 of the Companies Act, the provisions of the original Article 46 will continue to be in effect even after the enactment of the partial amendments.</u>