

September 12, 2025

Company name: H.I.S. Co., Ltd.
Name of representative: Yada Motoshi, President and CEO
(Securities code: 9603; Prime Market)
Inquiries: Akao Shohei, Executive Officer
General Manager of Human Resources
(Telephone: +81-50-1746-4177)
(Mail: his-pr@his-world.com)

Wrongful Receipt of Employment Adjustment Subsidy by Consolidated Subsidiary of H.I.S. (Follow-Up Report)

H.I.S. Co., Ltd. (the "Company") has been cooperating with an investigation conducted by the Labour Bureau following the findings of the Special Investigation Committee disclosed on March 21, 2025, regarding the Employment Adjustment Subsidy received by the Company's consolidated subsidiary. As a result of the investigation, it was determined that Tour Wave Co., Ltd. had wrongfully received subsidies. The Company hereby announces the following resolution of its Board of Directors at a meeting held today regarding disciplinary action against those involved.

1. Course of events

Tour Wave Co., Ltd. (headquarters, Sendai, Miyagi; hereinafter referred to as "Tour Wave"), a consolidated subsidiary of the Company, has been investigated by the Miyagi Labour Bureau. It was revealed that some employees had worked on designated leave days, and that as a result Tour Wave had wrongfully received Employment Adjustment Subsidy. Consequently, Tour Wave received a Notice of Cancellation of Employment Adjustment Subsidy Payment Decision and Request for Return, dated August 14, 2025. In response to the notice, Tour Wave repaid the subsidies on September 1, 2025.

2. Total amount of Employment Adjustment Subsidy returned by Tour Wave

184,062,660 yen (including penalties and late payment charges)

3. Disciplinary action of parties involved

At a meeting of the Board of Directors held today, the Company resolved to reduce the compensation of Tour Wave's president. Furthermore, the investigation conducted by the Company's Internal Audit Department found no evidence of involvement by executives, including the president of Tour Wave.

Eguchi Atsushi, President and Representative Director of Tour Wave
30% reduction in monthly compensation (3 months from October 2025 through December 2025)

4. Impact on business performance

This incident will have an insignificant impact on H.I.S.'s consolidated financial results. Investigations of H.I.S.'s consolidated subsidiaries by their respective Labour Bureau are ongoing.

We again offer our sincere apologies for any inconvenience or concern this matter may have caused any related party.

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