

Notice Regarding Reduction of Capital Reserves and Disposal of Surplus

At today's meeting of the Board of Directors, the Company resolved to submit a proposal on the reduction of capital reserves and the disposal of surplus to the Annual Shareholders Meeting scheduled to be held on June 28, 2022.

1. Purpose of reduction of capital reserves and disposal of surplus

The Company will reduce capital reserves and dispose of the surplus with the purpose of replenishing the current deficit of carry-forward surplus and ensuring the flexibility and mobility of future capital policies. Specifically, pursuant to the provisions of Article 448, paragraph 1 of the Companies Act, capital reserves shall be reduced and transferred to other capital surplus, and pursuant to Article 452 of the Companies Act, the increased other capital surplus shall be transferred to the carry-forward surplus to replenish the deficit of carry-forward surplus.

This action will only reduce the amount of capital reserves without changing the total number of shares issued, so it will not affect the number of shares owned by shareholders. In addition, the reduction in the amount of capital reserves is an account-to-account transfer process in the net assets section of the Balance Sheet, there is no change in the Company's net assets, so there will be no change in net assets per share. If the share options issued by the Company are exercised by the effective date of the reduction in capital reserves, the capital reserves will change.

2. Details of reduction in capital reserves

In accordance with the provisions of Article 448, paragraph 1 of the Companies Act, capital reserves shall be reduced and transferred to other capital surplus.

(1) Amount of capital reserves to be reduced

1,735,508,521 yen of the total capital reserves of 4,657,056,325 yen

(2) Amount of other capital surplus to be increased

Other capital surplus 1,735,508,521 yen

3. Details of disposal of surplus

In accordance with Article 452 of the Companies Act, the increased other capital surplus shall be transferred to the carry-forward surplus, which will be used to replenish the deficit of carry-forward surplus as of the end of FY03/22.

(1) Items of surplus to be reduced and amount

Other capital surplus 635,508,521 yen

(2) Items of surplus to be increased and amount

Carry-forward surplus 635,508,521 yen

4. Schedule of reduction of capital reserves and disposal of surplus (planned)

(1)	Date of Board of Directors resolution	May 26, 2022
(2)	Date of public notice of objections for creditors	June 7, 2022
(3)	Date of Annual Shareholders Meeting resolution	June 28, 2022
(4)	Final date for filing of objections by creditors	July 7, 2022
(5)	Effective date	July 8, 2022

5. Future outlook (planned)

This action is an account-to-account transfer process in the net assets section that does not result in monetary payments, etc., does not change the amount of net assets, and has no impact on performance.

It should be noted that this matter is subject to approval of the proposals on the reduction of capital reserves and disposal of surplus at the Annual Shareholders Meeting scheduled to be held on June 28, 2022.

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Notice:

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