



February 14, 2022
ACSL Ltd.

Notice of Reduction of Share Capital and Appropriation of Surplus

ACSL Ltd. (ACSL or the Company) hereby announces that its Board of Directors, at a meeting held on February 14, 2022, decided to submit a proposal for reduction of share capital and appropriation of surplus to the 10th Ordinary General Meeting of Shareholders to be held on March 25, 2022.

1. Purpose of reduction of share capital and appropriation of surplus

The purpose of this reduction of share capital and appropriation of surplus is to compensate for the current deficit in retained earnings brought forward, to improve the soundness of the Company's financial position, and to ensure flexibility and mobility in the ACSL's future capital policies.

Specifically, in accordance with Article 447, Paragraph 1 of the Companies Act, the amount of share capital will be reduced and transferred to other capital surplus, and in accordance with Article 452 of the Companies Act, a portion of the increased other capital surplus will be transferred to retained earnings brought forward to cover the deficit in retained earnings, on the condition that the reduction in the amount of share capital takes effect.

The decrease in the amount of share capital is a transfer between accounts in the net assets section of the balance sheet, and there will be no change in the amount of net assets of the Company. Since the total number of issued shares will not be changed, there will be no impact on the number of shares held by shareholders or the net asset value per share.

2. Details of the reduction in the amount of share capital

① Amount of capital to be reduced

Of the capital stock amount of 4,537,758,491 yen, 4,527,758,491 yen shall be reduced to 10,000,000 yen. If the other stock acquisition rights issued by the Company are exercised by the effective date of the capital reduction, the amount of capital and the amount of capital after the reduction will change.

② Method of reducing the amount of capital

The total number of issued shares will not be changed, and the entire amount of capital to be reduced will be transferred to other capital surplus.

3. Details of appropriation of surplus

- ① Item of surplus to be reduced and its amount
 - Other capital surplus 3,700,066,863 yen
- ② Item of surplus to be increased and its amount
 - Retained earnings brought forward 3,700,066,863 yen

4. Schedule for reduction of capital stock and appropriation of surplus (plan)

- ① Resolution by the Board of Directors February 14, 2022
- ② Resolution at the Ordinary General Meeting of Shareholders
 - March 25, 2022 (scheduled)
- ③ Final date for creditors' objections Late March 2022 (plan)
- ④ Effective date April 15, 2022 (plan)

5. Outlook

This matter is a transfer between accounts in the net assets section of the balance sheet, and there will be no change in the Company's net assets and no impact on its business performance.

This matter is subject to approval at the 10th Ordinary General Meeting of Shareholders to be held on March 25, 2022.

Attention

This document is an unofficial translation of the timely disclosure on February 14, 2022 by ACSL and this is for reference purpose only. In case of a discrepancy between the English and Japanese versions, the Japanese original shall prevail.