



February 14, 2024
ACSL Ltd.

Notice Concerning Reduction of Amount of Share Capital and Legal Capital Surplus and Appropriation of Surplus

ACSL Ltd. (ACSL or the Company) hereby announces that its Board of Directors has resolved at a meeting held on February 14, 2024 to submit a proposal for reduction of share capital and legal capital surplus and appropriation of surplus at the 12th Ordinary General Meeting of Shareholders scheduled to be held on March 27, 2024.

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

The purpose of the reduction of share capital and legal capital surplus and the appropriation of surplus is to make up the deficit in retained earnings brought forward that currently exists, to improve the soundness of the Company's financial position, and to ensure flexibility and mobility of the Company's future capital policy.

Specifically, pursuant to Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act, the amount of share capital and legal capital surplus shall be reduced and transferred to other capital surplus, and pursuant to Article 452 of the Companies Act, the entire amount of other capital surplus after the increase shall be transferred to retained earnings brought forward to be used to cover the deficit in retained earnings brought forward, provided that the reduction of share capital and legal capital surplus becomes effective.

The reduction in the amount of share capital and legal capital surplus is a transfer processing between accounts in the net assets section of the balance sheet, and there will be no change in the amount of net assets of ACSL. Since the total number of outstanding shares will not be changed, the number of shares held by shareholders and the amount of net assets per share will not be affected.

2. Details of reduction of share capital and legal capital surplus

(1) Amount of share capital and legal capital surplus to be reduced

Out of the share capital amount of 986,421,997 yen as of February 14, 2024, 976,421,997 yen will be reduced to 10,000,000 yen. In addition, out of the legal capital surplus of 5,492,180,482 yen as of February 14, 2024, 4,068,075,032 yen will be reduced to 1,424,105,450 yen.

If the stock acquisition rights issued by ACSL is exercised by the effective date of the capital reduction, the amount of share capital and legal capital surplus and the amount of them after the reduction will change.

(2) Method of reducing share capital and legal capital surplus

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

3. Appropriation of surplus

(1) Item and amount of surplus to be decreased

Other capital surplus	5,044,497,029 yen
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(2) Item and amount of surplus to be increased

Retained earnings brought forward	5,044,497,029 yen
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4. Schedule for reduction of share capital and legal capital surplus and appropriation of surplus (scheduled)

(1) Resolution of the board of directors	February 14, 2024
(2) Date of public notice for objection by creditors	February 21, 2024 (scheduled)
(3) Final date for creditors' objections	March 21, 2024 (scheduled)
(4) Resolution at the general meeting of shareholders	March 27, 2024 (scheduled)
(5) Effective date	March 27, 2024 (scheduled)

5. Outlook

This transaction is a transfer processing 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 the Company's business performance. This matter is subject to approval at the 12th Annual General Meeting of Shareholders to be held on March 27, 2024.

Attention

This document is an unofficial translation of the timely disclosure on February 14, 2024 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.