



August 23, 2022

Luxna Biotech Co., Ltd.

Notice of Reduction in the Amount of Share Capital and Disposal of Other Capital Surplus

Please be informed that at the Extraordinary Meeting of Shareholders held on August 3, 2022, Luxna Biotech Co. Ltd. (the "Company") resolved to reduce the amount of the Company's share capital and dispose of its other capital surplus as described below.

1. Purposes

Through these actions, the Company aims to improve its balance sheet and manage the company more efficiently, and, at the same time, to ensure adaptability and flexibility of its capital policy in the future. Pursuant to the provisions in Article 447 paragraph (1) of the Companies Act, the Company, first, reduced its share capital and transferred the reduced amount to other capital surplus. The Company, then, pursuant to the provision in Article 452 of the Companies Act, appropriated part of the increased other capital surplus to retained earnings brought forward to compensate for accumulated loss, and thereby disposed other capital surplus.

Please note that these range of actions do not change the total number of issued shares of the Company, only to reduce the amount of its share capital, and, hence, do not cause any changes in the Company's shareholders and their shareholdings. The amount of the Company's net assets also remains unchanged, meaning that the amount of net assets per share does not change.

2. Details of reduction in the amount of share capital and disposal of other capital surplus

I. Details of reduction in the amount of share capital

(1) Amount of share capital reduced

The amount of share capital was reduced by 908,000,000 yen and the reduced amount was wholly transferred to other capital surplus.

(2) Effective date of the reduction

August 15, 2022

II. Details of disposal of other capital surplus

Pursuant to the provisions of Article 452 of the Companies Act, the Company intends to compensate for accumulated loss by transferring part of the increased other capital surplus to retained earnings brought forward, provided that the above reduction in the amount of share capital becomes effective. As a result, the amount of the Company's retained earnings brought forward after the transfer becomes 0 (zero) yen.

(1) Item and amount of surplus to be increased

Retained earnings brought forward, 753,344,470 yen

(2) Item and amount of surplus to be reduced

Other capital surplus, 753,344,470 yen

3. Schedule

(1) Resolution by the Board of Directors: June 21, 2022

(2) Date of publication of the period for creditors' making objections: July 12, 2022

(3) Date of resolution at the General Meeting of Shareholders (deemed resolution):
August 3, 2022

(4) Date of expiration of the period for creditors' making objections: August 12, 2022

(5) Effective date: August 15, 2022

Contact

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