



May 22, 2024

For Immediate Release

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Notice Regarding Reduction of Capital Reserve and Reclassification to Other Capital Surplus and Retained Earnings

Foodison, Inc. (“Company”) hereby announces that at a meeting of the Board of Directors held on May 22, 2024, resolved to propose a reduction of capital reserve and a reclassification to other capital surplus and retained earnings at the 11th General Meeting of Shareholders scheduled to be held on June 24, 2024 (“Shareholders’ Meeting”), as follows.

1. Purpose of Reduction of Capital Reserve and Appropriation of Surplus

The Company intends to reduce the amount of capital reserve and transfer to other capital surplus and retained earnings to cover the current deficit in retained earnings, to restore financial health promptly, and to ensure flexibility and agility in future capital policies.

In accordance with Article 448, Paragraph 1 of the Companies Act, we propose to reduce the capital reserve and transfer the amount to other capital surplus. Following this, under Article 452 of the Companies Act, the increased amount in other capital surplus will be transferred to retained earnings brought forward to offset the deficit.

2. Details of Capital Reserve Reduction

(1) Amount of Capital Reserve to be Reduced

The amount of the capital reserve will be reduced from JPY 1,644,661,500 by JPY 1,644,661,500.

(2) Method of Capital Reserve Reduction

The amount of reduced capital reserve, JPY 1,644,661,500, will be transferred to other capital surplus.

(3) Effective Date of Capital Reserve Reduction

The reduction will take effect on July 27, 2024.

3. Details of Appropriation of Surplus

In accordance with Article 452 of the Companies Act, and contingent upon the effectiveness of the reduction of the capital reserve described in Section 1, the amount transferred to other capital surplus from the capital reserve will be further transferred to retained earnings brought forward to offset the deficit.

(1) Item and Amount of Surplus to be Decreased

Other Capital Surplus: JPY 296,833,747

(2) Item and Amount of Surplus to be Increased

Retained Earnings Brought Forward: JPY 296,833,747

(3) Effective Date of Appropriation of Surplus

The appropriation will take effect on July 27, 2024.

4. Schedule

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|---|---------------------------|
| (1) Board of Directors Resolution: | May 22, 2024 |
| (2) Shareholders' Meeting Resolution: | June 24, 2024 (scheduled) |
| (3) Public Notice of Creditor Objections: | June 26, 2024 (scheduled) |
| (4) Final Date for Creditor Objections: | July 26, 2024 (scheduled) |
| (5) Effective Date: | July 27, 2024 (scheduled) |

5. Additional information

This measure involves a reallocation of items within the net assets section and will not impact the Company's performance.

Furthermore, it is conditional upon the approval of the resolution at the Shareholders' Meeting.

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