

NEWS RELEASE



AOI TYO Holdings Inc.
2-2-24, Higashi-shinagawa, Shinagawa-ku
Tokyo 140-8663

July 30, 2021

Announcement of Extraordinary General Meeting of Shareholders for Share Consolidation as well as Abolishment of Provision Concerning Share Unit Number and Partial Amendments to the Articles of Incorporation

At a meeting of the Board of Directors held today, AOI TYO Holdings Inc. ("the Company") decided to submit two agenda items for discussion at an extraordinary general meeting of its shareholders to be held on September 7, 2021 ("the Extraordinary Shareholders' Meeting"), as follows. These are Agenda Item 1 (Share Consolidation) and Agenda Item 2 (Partial Amendment to the Articles of Incorporation).

In the above procedures, the Company's common stock ("Company Stock" or "Company Shares") is to fall under the scope of delisting criteria defined by securities listing regulations of the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange"). As a result, Company Stock is expected to be delisted on September 28, 2021 after designation as delisted issues for the period from September 7 to September 27, 2021. Please note that after delisting, Company Stock will no longer be tradeable on the First Section of the Tokyo Stock Exchange.

I. Date, Time and Venue to Hold the Extraordinary Shareholders' Meeting

1. Date and Time : Tuesday, September 7, 2021 at 10:00 a.m. Japan Time
2. Venue : Function room Fuyo on 4F of Palace Hotel Tokyo
1-1-1 Marunouchi, Chiyoda-ku, Tokyo

II. Proposed Agenda of the Extraordinary Shareholders' Meeting

Proposals to be resolved

- Proposed Agenda No.1 : Share Consolidation
Proposed Agenda No.2 : Partial Amendment to the Articles of Incorporation

III. Share Consolidation

1. Summary of Share Consolidation

(1) Schedule of Share Consolidation

- ① Date of public notice on record date for the Extraordinary Shareholders' Meeting : Tuesday July 13, 2021
- ② Record date for the Extraordinary Shareholders' Meeting : Wednesday July 28, 2021

- ③ Date of resolution by board of directors : Friday July 30, 2021
- ④ Date of the Extraordinary Shareholders' Meeting : Tuesday September 7, 2021 (Planned)
- ⑤ Designation date as delisted issue : Tuesday September 7, 2021 (Planned)
- ⑥ Last trading date of Company Stock : Monday September 27, 2021 (Planned)
- ⑦ Delisting date of Company Stock : Tuesday September 28, 2021 (Planned)
- ⑧ Effective date of Share Consolidation : Thursday September 30, 2021 (Planned)

(2) Details of Share Consolidation

- ① Class of Shares to Be Consolidated
Common Stock

② Consolidation Ratio

As of September 30, 2021 (TBC), the 3,900,000 shares of Company Stock owned by shareholders listed or shareholders of record in the final shareholder list from September 29, 2021 (TBC) will be merged into one share.

③ Total Number of Issued Shares to Be Decreased

23,484,372 shares

(Note) At this meeting of the Board of Directors, it was resolved to cancel the Company's 1,082,069 treasury shares on September 29, 2021 (the total of 676,569 treasury shares held as of June 30, 2021 and 405,500 shares to be acquired gratis by September 29, 2021 in holding equivalents of the Company's board benefit trust (BBT)). Therefore, the Total Number of Issued Shares to Be Decreased is listed based on the post-cancellation total number of issued and outstanding shares.

④ Total Number of Issued Shares Before Effective Date

23,484,378 shares

(Note) At this meeting of the Board of Directors, it was resolved to cancel the Company's 1,082,069 treasury shares on September 29, 2021 (the total of 676,569 treasury shares held as of June 30, 2021 and 405,500 shares to be acquired gratis by September 29, 2021 in holding equivalents of the Company's board benefit trust (BBT)). Therefore, the Total Number of Issued Shares to Be Decreased is listed based on the post-cancellation total number of issued and outstanding shares.

⑤ Total Number of Issued Shares after Effective Date

6 shares

⑥ Total Number of Issued Shares Issuable on Effective Date

24 shares

(3) Cases of fractions of less than one share

- ① Method of Treatment of Fractional Less Than One Share (If Any) and Amount Expected to Be Delivered to Shareholders after Such Treatment

As a result of the Share Consolidation, the number of shares of Company Stock owned by shareholders

other than Studio Cruise Co., Ltd. (“ the Offeror “) are to be fractional shares less than one share. For the total number of fractional shares less than one share resulting from the Share Consolidation (according to Article 235, Paragraph 1 of the Companies Act [Act No. 86 of 2005 and including all revisions thereafter; the same shall apply hereinafter], in the event that this total includes fractional shares less than one share, the fractional portions shall be discarded), an equivalent number of shares shall be sold to the Offeror, with the proceeds from sale to be issued to all shareholders for whom fractional shares have occurred in accordance with said fractions.

The sale price in this event, if the necessary court approval is obtained as planned, is to be set at a price whereby a monetary amount equivalent to the multiplicative product of the number of Company Shares owned by all shareholders and 900 yen, which is the same amount as the offer price, can be delivered.

② Expected Period of Sale and Time of Delivery of Proceeds from Sale to Shareholders

After the Share Consolidation takes effect, the Company is to, in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act which is applied mutatis mutandis to Article 235, Paragraph 2 of the same, file a petition for court permission for the sale of Company Shares equivalent for the total number of fractional shares less than one share arising from the Share Consolidation, with petition submission to occur by mid-October 2021. The state of the courts will result in uncertainty in the time taken to obtain this permission, but we expect to obtain court permission by late October of the same year, execute sale to the Offeror by early November 2021, and then deliver the proceeds from sale for shares equivalent to the fractional shares to shareholders by late December 2021, once preparations have been made to promptly and smoothly deliver proceeds from the sale to shareholders.

2. Delisting and Future Outlook

With execution of the Share Consolidation, delisting criteria stipulated in the securities listing rules of the Tokyo Stock Exchange will be met. As a result, Company Stock is expected to be delisted on September 28, 2021 after designation as delisted issues for the period from September 7 to September 27, 2021.

In addition, the Offeror is to in principle continue use of the Company's trade name, and exploration is underway regarding the dispatch of multiple directors from the Offeror. However, the selection of specific directors has not yet been confirmed at this time, and is expected to be determined in discussion with the Company after completion of this transaction.

IV. Abolition of Provisions Concerning Share Unit Number

1. Scheduled Date of Abolition

Thursday September 30, 2021 (Planned)

2. Conditions for Abolition

Subject to the proposal regarding the Share Consolidation and the proposal regarding partial amendments to the Articles of Incorporation for the purpose of abolishing the provision concerning share unit number (please refer to V below) being approved and adopted as originally proposed at the Extraordinary Shareholders' Meeting and to the Share Consolidation becoming effective.

V. Partial Amendment to the Articles of Incorporation

1. Details of Amendment to the Articles of Incorporation

Details of Amendment to the Articles of Incorporation are as follows.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendments
<p>Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>80 million</u> shares.</p>	<p>Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>24</u> shares.</p>
<p>Article 7 (Provisions omitted)</p>	<p>Article 7 (as currently provisioned)</p>
<p><u>Article 8 (Number of Shares per Unit)</u> <u>The number of shares constituting one unit of Company Stock shall be 100 shares.</u></p>	<p>(Deleted)</p>
<p><u>Article 9 (Rights for Fractional Shares)</u> <u>Shareholders of the Company may not exercise any rights other than the following rights with respect to fractional shares held.</u> <u>Rights listed in each item of Article 189, Paragraph 2 of the Companies Act</u> <u>Right to make requests pursuant to the provisions of Article 166, Paragraph 1 of the Companies Act</u> <u>Right to receive allotment of offered shares and of offered stock acquisition rights in accordance to the number of shares held by the shareholder</u> <u>Right to make requests as stipulated in the following article</u></p>	<p>(Deleted)</p>
<p><u>Article 10 (Request for Additional Purchase of Fractional Shares)</u> <u>Company shareholders may request that the Company sell a number of shares equivalent to the amount that would constitute one unit in combination with the fractional shares held ("Additional Purchase Request").</u> <u>2. The period and method for Additional Purchase Requests shall be in accordance with stock handling rules established by the Board of Directors.</u></p>	<p>(Deleted)</p>
<p>Article <u>11</u> to Article<u>13</u> (Provisions omitted)</p>	<p>Article <u>8</u> to Article <u>10</u></p>

Current Articles of Incorporation	Proposed Amendments
<u>Article 14 (Record Date of the Ordinary General Meeting of Shareholders)</u> <u>The record date for voting rights at the Ordinary General Meeting of Shareholders of the Company shall be December 31 of each year.</u>	(as currently provisioned) (Deleted)
Article <u>15</u> to Article <u>42</u> (Provisions omitted)	Article <u>11</u> to Article <u>38</u> (as currently provisioned)

2. Schedule of Amendment to the Articles of Incorporation

Thursday September 30, 2021 (Planned)

3. Conditions for Amendment to the Articles of Incorporation

These amendments to the articles of incorporation shall be subject to the Share Consolidation taking effect following the approval and adoption, as proposed, of a proposal regarding the Share Consolidation in the Extraordinary Shareholders' Meeting.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.