

June 10, 2021

For Immediate Release

Company Name: IGNIS LTD.
Representative: Qian Kun, President and Founder
(Securities Code: 3689, Mothers Market of the Tokyo
Stock Exchange)
Inquiries: Tomohito Matsumoto, Executive Officer and CFO
Tel: 03-6408-6820

Notice Regarding Approval of Resolutions for Share Consolidation and Partial Amendment of Articles of Incorporation

We hereby give notice that, as we informed you in the “Notice Regarding Share Consolidation, Abolishment of Provision on Share Units, and Partial Amendment of Articles of Incorporation” released by the Company on May 12, 2021 (“May 12, 2021 Company Press Release”), at the Company’s extraordinary general shareholders’ meeting held today (the “Extraordinary Shareholders’ Meeting”), the Company held a vote on proposals for a share consolidation and a partial amendment of the Articles of Incorporation, and all of the proposals were approved as in the original drafts.

As a result, the Company’s common shares (“Shares”) will satisfy the criteria for delisting specified in the securities listing rules of the Tokyo Stock Exchange, Inc. (the “TSE”). For this reason, after being designated as delisted stock between June 10, 2021 and June 29, 2021, the Shares are scheduled to be delisted on June 30, 2021. Please remember that after the delisting it will not be possible to trade Shares on the Mothers market established by the TSE.

1. Proposed Resolution No. 1 (Share Consolidation)

A share consolidation of the Shares as described below (the “Share Consolidation”) was approved by the Company’s shareholders at the Extraordinary Shareholders’ Meeting.

- (i) Class of shares to be consolidated
Common shares
 - (ii) Consolidation ratio
Every 1,302,729 shares of the Shares will be consolidated into one share.
 - (iii) Reduction in total number of outstanding shares
15,632,744 shares
 - (iv) Total number of outstanding shares prior to the Share Consolidation taking effect
15,632,756 shares (Note)
- (Note) The total number of outstanding shares prior to the Share Consolidation taking effect is the number of issued shares of the Company as of March 31, 2021 (15,676,400 shares) set forth in the quarterly report for the second quarter of the 12th fiscal term submitted by the Company on May 14, 2021 less the number of treasury shares that the Company holds as of April 27, 2021 (43,644 shares), which are scheduled to be retired on July 1, 2021, in accordance with the resolution of the meeting of the Board of Directors held today.

- (v) Total number of outstanding shares after the Share Consolidation taking effect
12 shares
- (vi) Total number of authorized shares as of the effective date
48 shares
- (vii) Method of processing fractional shares less than one share and amount of cash expected to be delivered to shareholders through such processing

(a) Whether the Company intends to proceed pursuant to the provision of Article 235(1) of the Companies Act, or Article 234(2) as applied *mutatis mutandis* pursuant to Article 235(2) of the same Act, and the reason therefor

It is planned that, through the Share Consolidation, the Shares held by shareholders other than Mr. Qian Kun, who is the Company's president and is the third largest shareholder ("Mr. Qian"), Mr. Takaaki Suzuki, who is the Company's CTO and representative director and is the second largest shareholder ("Mr. Suzuki") and K.K. i3 (the "Tender Offeror") will become fractional shares less than one share.

With respect to fractional shares less than one share arising from the Share Consolidation, shares equal to the total number (in accordance with Article 235, paragraph (1) of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same), if the total number includes a fraction of less than one share, such fraction will be discarded) will be sold in accordance with Article 235 of the Companies Act and other applicable laws and regulations, and the proceeds obtained through such sale will be delivered to shareholders in proportion to their fractional shares. With respect to such sale, in view of the fact that the Share Consolidation is to be carried out as part of the Transaction which keeps only Mr. Qian, Mr. Suzuki and the Tender Offeror as the shareholders of the Company, and that the Shares will be delisted as of June 30, 2021 and will become non-marketable shares, it is unlikely that a new buyer will appear through an auction process, and thus it is planned that the shares will be sold with the permission of the court pursuant to the provisions of Article 234, paragraph (2) of the Companies Act applied *mutatis mutandis* under Article 235, paragraph (2) of the same Act.

The sale price in such case, if the above permission of the court is obtained as planned, is planned to be set at a price that makes it possible to deliver to each shareholder cash in the amount obtained by multiplying the number of Shares held by the shareholder by JPY 3,000, which is the same amount as price per Share in the tender offer for the Shares and stock acquisition rights of the Company which the Tender Offeror carried out with the period from March 8, 2021 to April 19, 2021 as the tender offer period .

(b) The name of the person who is likely to become the purchaser of the shares pertaining to the sale

K.K. i3, the Tender Offeror

(c) The manner by which a person who is expected to purchase the shares pertaining to the sale secures funds for payment of the purchase price pertaining to the sale, and the adequacy of such method

The Company checked that the Tender Offeror is able to secure funds for the acquisition of the Shares equivalent to the total amount of fractional shares less than one share resulting from the Share Consolidation by a certificate dated March 4, 2021 from BCPE Wish Cayman, L.P., which is owned and managed by Bain Capital Private Equity, LP and its group and owns 50.00% of the voting rights for the common shares of the Tender Offeror, stating that it is prepared to make an investment of up to 30,000,000 thousand yen in the Tender Offeror.

Therefore, the Company has determined that the method of securing funds for the payment of proceeds from the sale of fractional shares by the Tender Offeror is appropriate.

(d) The timing of the sale and the prospect of the timing of the delivery of proceeds from the sale

to the shareholders

After the Share Consolidation becomes effective, the Company intends to petition the court for permission to sell the Shares equivalent to all fractional shares less than one share resulting from the Share Consolidation by around mid-July 2021 pursuant to the provisions of Article 234, paragraph (2) of the Companies Act applied *mutatis mutandis* under Article 235, paragraph (2) of the same Act. The timing of obtaining such permission may vary depending on the circumstances of the court, but the Company expects to sell the Shares by early August 2021 with the permission of the court, and after making the necessary preparations to deliver the proceeds of the sale to the shareholders, the Company expects to deliver the proceeds to the shareholders around the end of August 2021.

In consideration of the period required for the series of procedures relating to the sale from the effective date of the Share Consolidation, we believe that at each timing as mentioned above, the Shares equivalent to the sum of all fractional shares less than one share resulting from the Share Consolidation will be sold and the proceeds will be delivered to the shareholders.

The proceeds of the sale will be delivered to each shareholder in the final shareholders register as of July 1, 2021, the day before the effective date of the Share Consolidation, in accordance with the manner of delivery of the dividend distribution; provided, however, those shareholders whose method of receiving dividends is designated in the securities account (proportional distribution method to the number of shares) shall receive dividends in cash at the bank counter of JP Bank, etc.

2. Proposed Resolution No. 2 (Partial Amendment of Articles of Incorporation)

A partial amendment to the Company's Articles of Incorporation as described below was approved by the shareholders of the Company at the Extraordinary Shareholders' Meeting.

If the Share Consolidation takes effect, in accordance with Article 182, paragraph (2) of the Companies Act, the Company's total number of authorized shares will be reduced to 48 shares. To clarify this point, subject to the Share Consolidation taking effect, Article 5 (Total Number of Authorized Shares) of the Articles of Incorporation will be amended.

If the Share Consolidation takes effect, the Company's total number of outstanding shares will be 12 shares, and it will cease to be necessary to specify the number of shares in a share unit. Subject to the Share Consolidation taking effect, in order to abolish the provision that currently makes 100 shares the share unit for the Shares, the entire text of Article 7 (Number of Shares in Share Unit) and Article 8 (Restriction on Rights of Holders of Shares Less Than One Share Unit), will be deleted entirely, and in conjunction with these amendments the article numbers will be shifted up and other necessary changes will be made.

For the details of the partial amendment of the Articles of Incorporation, please refer to the May 12, 2021 Company Press Release.

Provided that the Share Consolidation takes effect, these amendments of the Articles of Incorporation will take effect on July 2, 2021, which is the effective date of the Share Consolidation.

3. Schedule of the Share Consolidation

Date of Extraordinary Shareholders' Meeting	June 10, 2021 (Thursday)
Delisted stock designation date	June 10, 2021 (Thursday)
Final trading date for Shares	June 29, 2021 (Tuesday) (tentative)
Date of delisting of Shares	June 30, 2021 (Wednesday) (tentative)

Effective date of the Share Consolidation	July 2, 2021 (Friday) (tentative)
---	-----------------------------------

End