



February 12, 2021

Company name: TATERU, Inc.
Representative: Daisaku Furuki, Representative Director/CEO
(Stock exchange code: 1435, TSE First Section)
Contact: Shinji Yasui, Executive Officer/CFO
(Phone: +81-3-6447-0651)

Notice Concerning Reduction of Share Capital and Appropriation of Surplus

TATERU, Inc. (the “Company”) hereby announces that at the meeting of the Board of Directors held today, it has resolved to submit a proposal to reduce its share capital and appropriate surplus at the 15th Annual General Meeting of Shareholders scheduled for March 24, 2021, as follows.

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

The Company has decided to reduce its share capital and appropriate its surplus with a view to making up for its retained loss and improving its financial strength while enabling it to resume paying dividends and implement flexible capital policies.

Specifically, the amount of share capital will be reduced and said amount will be transferred to other capital surplus pursuant to the provisions of Article 447, paragraph 1 of the Companies Act.

Furthermore, the increase in other capital surplus will be transferred to retained earnings brought forward, thereby eliminating the entire amount of retained loss.

2. Details of Reduction of Share Capital

(1) Amount of Reduction in Share Capital

The amount of share capital, which is 7,296,022,700 yen, will be reduced by 7,286,022,700 yen to 10,000,000 yen. The entire amount of said reduction will be transferred to other capital surplus.

(2) Method to Reduce Share Capital

Share capital will be reduced without compensation, and no share capital will be repaid. The total number of issued shares will remain unchanged.

3. Details of Appropriation of Surplus

Subject to the effectuation of the reduction of share capital, the increase in other capital surplus caused by the reduction of share capital will be transferred to retained earnings brought forward to make up for retained loss, pursuant to the provisions of Article 452 of the Companies Act.

The balance of retained earnings brought forward after said transfer will be 0 yen.

(1) Item of surplus to be reduced and amount thereof

Other capital surplus 7,042,245,083 yen

(2) Item of surplus to be increased and amount thereof

Retained earnings brought forward 7,042,245,083 yen

Note: The figures on this notice are based on the Consolidated Financial Results for the Fiscal Year Ended December 31, 2020 and are provisional figures, which have not yet been audited the audit firm. The Company will disclose the fixed figures when the financial results for the year ended December 31, 2020 have been finalized.

4. Schedule for Reduction of Share Capital and Appropriation of Surplus

(1) Date of Resolution of Board of Directors	February 12, 2021
(2) Date of Resolution of Annual General Meeting of Shareholders	March 24, 2021 (planned)
(3) Date of Public Notice for Creditor Objections	March 29, 2021 (planned)
(4) Deadline for Creditor Objections	April 30, 2021 (planned)
(5) Effective Date	May 14, 2021 (planned)

5. Outlook

The procedures mentioned above are accounting transfers within the net assets section of the balance sheet. Consequently, the Company's total net assets will remain unchanged and actual financial results will not be affected. The total number of issued shares will also remain unchanged, so net assets per share will be unaffected.

The procedures mentioned above are subject to approval at the Annual General Meeting of Shareholders scheduled for March 24, 2021.