



June 9, 2016

Company name	Hearts United Group Co., Ltd.
Name of representative	President and CEO Eiichi Miyazawa (Code number: 3676, First Section of the Tokyo Stock Exchange)
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## Notice Regarding Completion of Payment for Issuance of First Series of Unsecured Convertible Bonds with Stock Acquisition Rights through Third-party Allotment

Hearts United Group Co., Ltd. (hereinafter referred to as the “Company”) would like to announce that a resolution was passed regarding the payment that has been completed today for the issuance of its first series of unsecured convertible bonds with stock acquisition rights through third-party allotment (hereinafter referred to as the “bonds with stock acquisition rights”) at the Board of Directors meetings held on May 13, 2016 and May 25, 2016.

As announced in the press release dated May 25, 2016 “Notice Regarding Recording of Extraordinary Losses (Consolidated and Non-consolidated),” the Company revised its business results for the fiscal year ended March 31, 2016 which was announced on May 13, 2016. On this occasion, the Company shared information on the background to the revision of its business results with Whiz Partners Inc. and the allottee, Whiz Asia Evolution Fund Investment Limited Partnership (hereinafter referred to as “Whiz Partners”), where Whiz Partners Inc. serves as the managing partner. Given our Group’s business performance, financial conditions, future profitability, growth potential, and other conditions, Whiz Partners decided that the revision of the Company’s business results will have no impact on its future business development and that there is no change in opinions with the Company. Subsequently, Whiz Partners promptly made a decision to proceed with the process to form a business alliance with our Group and underwrite the bonds with stock acquisition rights through third-party allotment without changing any conditions (including the total amount of issuance, amount of each bond, conversion price, use of fund, and details of business alliance) other than the payment schedule and other details. Based on this decision, the Company changed the originally planned payment schedule for the issuance of the bonds with stock acquisition rights. In accordance with the revised schedule, the payment has been completed today.

For more details about the bonds with stock acquisition rights, please refer to the press release dated May 13, 2016 “Notice Regarding Business Alliance with Whiz Partners Inc. and Issuance and Placement of First Unsecured Convertible Bonds with Equity Warrants through Third-Party Allotment”.

(Reference)

Summary of the issuance of first series of unsecured convertible bonds with stock acquisition rights

(1) Payment date	June 9, 2016
(2) Total number of stock acquisition rights	40
(3) Issue price of bonds and stock acquisition rights	The issue price of the bonds is 25,430,000 yen (100 yen per face value of 100 yen) No payment for the issuance of stock acquisition rights attached to first series of bonds with stock acquisition rights

(4) Number of dilutive shares after the issuance	400,000 shares
(5) Amount of funds to be raised	1,017,200,000 yen
(6) Conversion price	2,543 yen
(7) Method of offering or allotment (allottee)	Third party allotment to: Whiz Asia Evolution Fund Investment Limited Partnership 1,017,200,000 yen
(8) Coupon rate	The bonds shall not bear any interest.
(9) Others	Each item listed above is subject to the filing under the Financial Instruments and Exchange Act becoming effective. The transfer of the bonds with stock acquisition rights is subject to approval by the Company's Board of Directors.