



August 8, 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 Stock Split, Partial Amendment to Articles of Incorporation in Connection with Stock Split, and Change in Shareholder Benefit Program

Hearts United Group Co., Ltd. (hereinafter referred to as the “Company”) would like to announce that the Company passed a resolution at its board of directors’ meeting held today to conduct a stock split, partially revise its Articles of Incorporation in connection with the stock split, and change its shareholder benefit program.

### I. Stock Split

#### 1. Purpose of stock split

The purpose of the stock split is to increase the liquidity of the Company’s stock and expand its investor base by reducing the stock trading unit to provide investors with a more favorable investment environment.

#### 2. Overview of stock split

##### (1) Method

The Company will conduct a two-for-one split of common stock owned by shareholders stated or registered in the final shareholder register on Friday, September 30, 2016, with this day as the record date.

##### (2) Number of shares to be increased by stock split

Total number of shares outstanding prior to stock split	11,945,400 shares
Increase in number of shares resulting from stock split	11,945,400 shares
Total number of shares outstanding after stock split	23,890,800 shares
Total number of authorized shares after stock split	76,800,000 shares

Note: The total number of shares outstanding listed above may increase due to the exercise of stock acquisition rights.

##### (3) Schedule

Announcement of record date	September 14, 2016	(Wed)
Record date	September 30, 2016	(Fri)
Effective date	October 1, 2016	(Sat)

##### (4) Adjustment of the exercise price of stock options

In connection with the stock split, the exercise price of stock options (stock acquisition rights) will be adjusted on and

after October 1, 2016 (Sat) as follows:

Third series of stock acquisition rights based on a resolution at the board of directors' meeting held on May 9, 2014

Before adjustment 1,293.00 yen

After adjustment 2,585.00 yen

(5) Adjustment of the conversion price of first series of unsecured convertible bonds with stock acquisition rights

In connection with the stock split, the conversion price of unsecured convertible bonds with stock acquisition rights will be adjusted on and after October 1, 2016 (Sat) as follows:

First series of unsecured convertible bonds with stock acquisition rights

Before adjustment 1,229.90 yen

After adjustment 2,543.00 yen

(6) Other

A. Change in the amount of capital

There is no change in the amount of capital in connection with the stock split.

B. Dividends

Since the stock split will be carried out with the effective date of October 1, 2016 (Sat), the interim dividends for the fiscal year ending March 31, 2017 will be paid based on the number of shares before the stock split while the year-end dividends for the fiscal year ending March 31, 2017 will be paid based on the number of shares after the stock split.

As stated in the "Notice Regarding Revision of the Interim Dividend Forecast (Dividend Increase) for the Fiscal Year ending March 31, 2017 and Revision of the Year-End Dividend Forecast for the Fiscal Year ending March 31, 2017 in Connection with Stock Split" issued today, the Company increased the forecasted interim dividends for 2 yen from its original forecast of 9 yen to 11 yen as well as revised the forecasted year-end dividends to 5 yen in connection with the stock split. As a result, the annual dividends without considering the stock split will be 21 yen, an increase of 2 yen per share from the previous forecast.

II. Partial Amendment to Articles of Incorporation

1. Reason for amendment

In connection with the stock split, and based on Article 184-2 of the Companies Act, the Company will amend Article 5 (Total number of authorized shares) of the Company's Articles of Incorporation, effective October 1, 2016, in accordance with the ratio of the stock split based on a resolution at its board of directors' meeting held today.

2. Details of amendment

The details of the amendment are as follows:

(Underlines indicate change)

Current Articles of Incorporation	Revised Articles of Incorporation
(Total number of authorized shares) Article 5 The total number of shares of the Company authorized to be issued shall be <u>38,400,000</u> shares.	(Total number of authorized shares) Article 5 The total number of shares of the Company authorized to be issued shall be <u>76,800,000</u> shares

### 3. Schedule

Resolution at the board of directors' meeting

August 8, 2016

Effective date

October 1, 2016

## III. Change in Shareholder Benefit Program

### 1. Reason for change

The Company has offered rice gift cards (6 kg) to all shareholders stated or registered in the shareholder register as of March 31 of each year who own at least one unit (100 shares) of the Company's shares. In connection with the two-for-one split of the Company's stock, the shareholder benefit program will be expanded.

### 2. Details of change

The details of the change are as follows:

(Before change)

Applicable shareholders	Shareholders stated or registered in the shareholder register as of March 31 of each year who own at least one unit (100 shares) of the Company's shares
Details of benefits	Rice gift card (6 kg)
Shipping schedule	The gifts are planned to be shipped in late June of each year.

(After change)

Applicable shareholders	No change	
Details of benefits	Number of shares owned	Benefits
	One unit (100 shares) or more	Rice gift card (3 kg)
	Less than two units (200 shares)	
	Two units (200 shares) or more	Rice gift card (6 kg)
Shipping schedule	No change	

### 3. Schedule

The revised program will be applied to shareholders stated or registered in the shareholder register as of March 31, 2017.