



May 19 ,2017

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 Partial Amendment to the Articles of Incorporation

Hearts United Group Co., Ltd. (hereinafter referred to as the “Company”) announces that it passed a resolution at a meeting of its Board of Directors held today to submit the “Proposal for Partial Amendment to the Articles of Incorporation” to the 4th ordinary general meeting of shareholders to be held on June 27, 2017.

1. Reasons for change

- (1) The head office will be relocated to ensure an office environment suitable for future growth and more efficient operations. Upon the relocation of the head office, the location of the head office as stated in Article 3 of the current Articles of Incorporation will be changed from Minato-ku, Tokyo to Shinjuku-ku, Tokyo. In addition, to provide for the transitional measures according to the said change, the supplementary provisions for the effective date of the relocation of the head office shall be stipulated.
- (2) To further strengthen the management system to ensure a prompt response to change in the management environment, the President and other executive officers shall be selected from among not only the directors but also the executive officers. In addition, with regard to the administration of the general meeting of shareholders and the Board of Directors, the current Articles of Incorporation shall be amended so that the directors specified by the Board of Directors shall call and preside over the general meeting of shareholders and the Board of Directors’ meeting. (Articles 12, 21 and 22 of the proposal for amendments)
- (3) To establish the management system to ensure a prompt response to change in the management environment, the term of office for directors as set forth in Article 21 of the current Articles of Incorporation shall be reduced to one (1) year so that the management responsibility of directors shall be better clarified. (Article 20 of the proposal for amendments)
- (4) To ensure the flexible and prompt implementation of capital and dividend policies, the dividend of surplus, etc. shall be paid by resolution of the Board of Directors. Accordingly, Article 8 (Acquisition of Treasury Stock) and Article 49 (Interim Dividend) of the current Articles of Incorporation shall be deleted because their provisions overlap. (Articles 47 and 48 of the proposal for amendments)
- (5) The article number shall be advanced according to the deletion of the other provisions.

2. Amendments to be made

The amendments to be made are as follows:

Current Articles of Incorporation	Proposal for Amendments
<p>Articles 1 to 2 (omission of provisions)</p> <p>Article 3: Location of Head Office The head office of the Company shall be located in <u>Minato</u>-ku, Tokyo.</p> <p>Articles 4 to 7 (omission of provisions)</p> <p><u>Article 8: Acquisition of Treasury Stock</u> <u>The Company may acquire its own stock through trading on the market and by any other means by resolution of the Board of Directors according to the provisions of Paragraph 2, Article 165 of the Companies Act.</u></p> <p>Article <u>9</u> to <u>12</u> (omission of provisions)</p> <p>Article <u>13</u>: Convenor and Chairman 1. Unless otherwise provided for by laws, <u>the President</u> shall call the general meeting of shareholders by resolution of the Board of Directors. In the absence of <u>the President</u>, the other directors shall call it in the order determined by the Board of Directors in advance. 2. <u>The President</u> shall preside over the general meeting of shareholders. In the absence of <u>the President</u>, the other directors shall act for the chairman in the order determined by the Board of Directors in advance.</p> <p>Article <u>14</u> to <u>20</u> (omission of provisions)</p> <p>Article <u>21</u>: Term of Office for Directors The term of office for directors shall continue until the conclusion of the ordinary general meeting of shareholders for the last fiscal year ending within <u>two (2) years</u> from their appointment.</p> <p>Article <u>22</u>: Representative Director and Executive <u>Directors</u></p>	<p>Articles 1 to 2 (as currently provided)</p> <p>Article 3: Location of Head Office The head office of the Company shall be located in <u>Shinjuku</u>-ku, Tokyo.</p> <p>Articles 4 to 7 (as currently provided)</p> <p>(Deletion)</p> <p>Articles <u>8</u> to <u>11</u> (as currently provided)</p> <p>Article <u>12</u>: Convenor and Chairman 1. Unless otherwise provided for by laws, <u>the directors specified by the Board of Directors</u> shall call the general meeting of shareholders <u>according to</u> a resolution of the Board of Directors. In the absence of <u>the said directors</u>, the other directors shall call it in the order determined by the Board of Directors in advance. 2. <u>The directors specified by the Board of Directors</u> shall preside over the general meeting of shareholders. In the absence of <u>the said directors</u>, the other directors shall act for the chairman in the order determined by the Board of Directors in advance.</p> <p>Articles <u>13</u> to <u>19</u> (as currently provided)</p> <p>Article <u>20</u>: Term of Office for Directors The term of office for directors shall continue until the conclusion of the ordinary general meeting of shareholders for the last fiscal year ending within <u>one (1) year</u> from their appointment.</p> <p>Article <u>21</u>: Representative Director and Executive <u>Officers</u></p>

<p>1. (Omission of provisions)</p> <p>2. (Omission of provisions)</p> <p>3. The Board of Directors shall select one (1) President and may select one (1) chairman and several vice presidents, senior managing directors and managing directors as necessary, by its resolution.</p> <p>Article <u>23</u>: Convenor and Chairman of the Board of Directors' Meeting</p> <p>Unless otherwise provided for by laws, <u>the President</u> shall call the Board of Directors' meeting and preside over it. In the absence of <u>the President</u>, the other directors call it and act for the chairman in the order determined by the Board of Directors in advance.</p> <p>Articles <u>24</u> to <u>47</u> (omission of provisions)</p> <p><u>Article 48: Year-end Dividend</u></p> <p><u>The Company shall pay a dividend of surplus in cash to the shareholders or registered pledgees of shares stated or recorded in the shareholder registry at the end of March 31 of each year by resolution of the general meeting of shareholders (hereinafter referred to as the "Year-end Dividend").</u></p> <p>(New provision)</p> <p><u>Article 49: Interim Dividend</u></p> <p><u>The Company may pay a dividend of surplus as set forth in Paragraph 5, Article 454 of the Companies Act to the shareholders or registered pledgees of shares stated or recorded in the shareholder registry at the end of September 30 of each year by resolution of the Board of Directors (hereinafter referred to as the "Interim Dividend").</u></p>	<p>1. (Omission of provisions)</p> <p>2. (Omission of provisions)</p> <p>3. The Board of Directors shall select one (1) President <u>from among the directors or executive officers</u> and may select one (1) chairman and several vice presidents, senior managing directors and managing directors as necessary, by its resolution.</p> <p>Article <u>22</u>: Convenor and Chairman of the Board of Directors' Meeting</p> <p>Unless otherwise provided for by laws, <u>the directors specified by the Board of Directors</u> shall call the Board of Directors' meeting and preside over it. In the absence of <u>the said directors</u>, the other directors shall call it and act for the chairman in the order determined by the Board of Directors in advance.</p> <p>Articles <u>23</u> to <u>46</u> (as currently provided)</p> <p>(Deletion)</p> <p><u>Article 47: Organ to Determine Dividend of Surplus, etc.</u></p> <p><u>Unless otherwise provided for by laws, the Company shall decide on the dividend of surplus and other matters set forth in the respective Items of Paragraph 1, Article 459 of the Companies Act by resolution of the Board of Directors, not by resolution of the general meeting of shareholders.</u></p> <p>(Deletion)</p>
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