



July 31, 2017

Company name:	Hearts United Group Co., Ltd.
Name of representative:	President and CEO Genichi Tamatsuka (Code number: 3676, First Section of the Tokyo Stock Exchange)
Contact:	Executive Officer and CFO Toshiya Tsukushi (TEL. +81-3-3373-0081)

Notice Regarding Capital and Business Alliance with HEROZ, Inc.

Hearts United Group Co., Ltd. (hereinafter referred to as the “Company”) announces that the Company will form capital and business alliance with HEROZ, Inc. (“HEROZ”), which engages in planning, development and management of AI-used Internet services.

1. Purpose of capital and business alliance

The Company and HEROZ, in February 2017, had signed a business alliance agreement for using AI in software testing, and have been conducting research for enabling AI technology to perform website analysis and generate testing processes that are essential for testing Web systems.

The aim of this alliance is not only to promptly realize the commercialization of AI-used Web system testing on which we have been conducting research and development, but also to deliver highly competitive AI-used services applicable to a variety of fields, ranging from system testing to cyber security. Looking ahead to mid-and long-term activities with HEROZ, the Company has decided to form capital and business alliance with HEROZ to strengthen the relationship.

2. Capital and business alliance

(1) Details of the business alliance

Development of AI-used services for software testing

(2) Details of the capital alliance

Convertible Bond Underwriting Agreement

Total amount of underwriting: 108 million yen

3. Schedule

Date of signing the agreement: July 31, 2017

Due date of payment: July 31, 2017

4. Future forecasts

We expect only a minor impact of the capital and business alliance on the Company’s consolidated results for this fiscal year. If it becomes clear that there will be a significant impact on the business performance of the Company, we will announce it in a timely manner.