

August 14, 2019

Notice of Stock Split, Partial Change to Articles of Incorporation, Upward Revision to Dividend Forecast, and Partial Change to Shareholder Benefit Program

CANDEAL Co., Ltd. at the Board of Directors meeting held on August 14, 2019, resolved the following resolution as follows.

1. Stock split

(1) Purpose of stock split

The Company will implement a stock split to increase the liquidity of the company stock and expand its investor base by reducing the trading unit and creating an environment that makes it easier to invest.

(2) Outline of stock split

① Method of stock split

For each ordinary share registered as belonging to shareholders on the final shareholder register as of August 31, 2019 (Saturday) (As the day is a holiday for the shareholder register administrator, the actual record date is August 30, 2019 (Friday)), the Company will conduct a 2-for-1 stock split.

② Increase in number of shares resulting from stock split

Total number of shares outstanding before stock split	5,151,900 shares
Increase in number of shares resulting from stock split	5,151,900 shares
Total number of shares outstanding after stock split	10,303,800 shares
Total number of authorized shares after stock split	32,000,000 shares

(3) Schedule for stock split

Date of announcement of record date August 15, 2019 (Thursday)
Record date August 31, 2019 (Saturday)
Effective date September 1, 2019 (Sunday)

(4) Other

There will be no change to the amount of capital as a result of the stock split.

(5) Adjustment of the exercise price of the stock acquisition rights

As a result of the stock split, the exercise price per share of stock acquisition rights to be exercised after September 1, 2019 has been adjusted as follows.

Name	Exercise price before adjustment	Exercise price after the adjustment
1st Stock Acquisition Rights	560 yen	280 yen
2nd Stock Acquisition Rights	560 yen	280 yen
3rd Stock Acquisition Rights	900 yen	450 yen

2. Partial change to the Articles of Incorporation

(1) Reason for change

In accordance with the stipulations of Article 184, Paragraph 2 of the Company Act, the company will change Article 6 of the Articles of Incorporation in connection with the stock split.

(2) Content of change

(Amendments are underlined)

Current Articles of Incorporation	Articles of Incorporation after change
(Total number of authorized shares) Article 6 The total number of authorized shares in this company is <u>16,000,000</u> shares.	(Total number of authorized shares) Article 6 The total number of authorized shares in this company is <u>32,000,000</u> shares.

(3) Date of change to the Articles of Incorporation

Effective date for change to the Article of Incorporation September 1, 2019 (Sunday)

3. Upward revision to the dividend forecast

As a result of the 2-for-1 stock split, the Company has revised the year-end dividend forecast for the year ending September 2019 as described in the "Summary of Business Results for the Fiscal Year Ended September 30, 2018" announced on November 14, 2018, as follows. In addition to the revision of the dividend forecast due to the stock split, this case represents an increase from the dividend forecast announced on November 14, 2018.

	Annual dividend per share		
	End of second quarter	Year-end	Total
Previous forecast (announced on November 14, 2018)	5.00 yen	5.00 yen	10.00 yen
Revised forecast (before stock split)	—	3.00 yen (Note 2) (6.00 yen)	— (Note 3) (11.00 yen)
Current results (FY9/19)	5.00 yen (Note 1)	—	—
Previous results (FY9/18)	0.00 yen	0.00 yen	0.00 yen

(Note) 1. Dividend at the end of the second quarter of the fiscal year ending September 2019 is calculated based on the number of shares before the stock split.

2. Dividend at the end of September 2,019 is based on the number of shares after the stock split. The year-end dividend for the fiscal year ending September 2019 will be 3 yen, an increase of 0.5 yen from 2.5 yen, which is one-half of 5 yen in the previous forecast.

3. Total dividend forecast is not presented because a simple calculation is not possible due to the stock split.

4. Partial change to the shareholder benefit program

(1) Reason for change

The Company will make following changes to the shareholder benefit program with a record date of September 30, 2019, which was announced in the "Notice of Establishment of the Shareholder Benefit Program" dated December 5, 2018. This change is due to a stock split, and there is no substantive change to the shareholder benefit program.

(2) Content of change

① Current (announced on December 5, 2018)

Number of shares held	Contents of the benefit program
<u>100</u> to less than <u>1,000</u> shares	QUO Card worth 3,000 yen
<u>1,000</u> to less than <u>3,000</u> shares	QUO Card worth 4,000 yen
<u>3,000</u> shares or more	QUO Card worth 5,000 yen

② After change

Number of shares held	Contents of the benefit program
<u>200</u> to less than <u>2,000</u> shares	QUO Card worth 3,000 yen
<u>2,000</u> to less than <u>6,000</u> shares	QUO Card worth 4,000 yen
<u>6,000</u> shares or more	QUO Card worth 5,000 yen

(Amendments are underlined)

(3) Period for change

The change will be effective from the shareholder benefit program with the record date on September 30, 2019.