

Note: The original disclosure in Japanese was released on February 23, 2018 at 5:00 p.m. (GMT +9).

## News Release Dated February 23, 2018

Company name: JCU CORPORATION  
Representative: Keiji Ozawa, Chairman and CEO  
Stock code: 4975 / Tokyo Stock Exchange, First Section  
Contact: Masashi Kimura, Senior Managing Director and  
Senior Managing Executive Officer,  
General Manager of Management Strategy Office and  
Administration Headquarters (Tel: +81-3-6895-7004)

### Notice of Stock Split and Partial Revisions to the Articles of Incorporation and the Shareholder Benefit Program

The Board of Directors of JCU CORPORATION approved a resolution on February 23, 2018 for a stock split and an associated revision to the Articles of Incorporation. In addition, due to the stock split, the directors approved a partial revision to the shareholder benefit.

#### 1. Purpose of the stock split

The purpose of the stock split is to reduce the price of one trading unit in order to improve liquidity of JCU stock and attract a broader range of investors.

#### 2. Overview of the stock split

##### (1) Method of the stock split

Each share of common stock held by shareholders listed or recorded in the final shareholders registry on Saturday, March 31, 2018 (effectively Friday, March 30, 2018), the record date, will be split into two shares.

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

- 1) Total number of shares outstanding before the stock split: 13,915,957 shares
- 2) Increase in number of shares due to the stock split: 13,915,957 shares
- 3) Total number of shares outstanding after the stock split: 27,831,914 shares
- 4) Total number of authorized shares after the stock split: 77,568,000 shares

Note: JCU announced today that treasury shares will be retired. For more information about the total number of shares outstanding before the stock split, please see this release, which is titled “Notice of Retirement of Treasury Shares.”

##### (3) Schedule for the stock split

- 1) Announcement of record date: Wednesday, March 14, 2018
- 2) Record date: Saturday, March 31, 2018
- 3) Effective date of stock split: Sunday, April 1, 2018

#### 3. Partial revision to the Articles of Incorporation

##### (1) Reason for the revision

In association with the stock split, the Articles of Incorporation of JCU CORPORATION (the “Company”) will be partially revised on Sunday, April 1, 2018 in accordance with Article 184, Paragraph 2 of the Companies Act.

##### (2) Details of the revision

(Underlined parts are revised.)

Current Articles of Incorporation	Proposed revision
(Total number of authorized shares) Article 6 The total number of shares authorized to be issued by the Company shall be <u>38,784,000</u> .	(Total number of authorized shares) Article 6 The total number of shares authorized to be issued by the Company shall be <u>77,568,000</u> .

##### (3) Schedule

This revision to the Articles of Incorporation will become effective on Sunday, April 1, 2018.

**4. Other matters relating to the stock split**

(1) Change in capital stock

The stock split will have no effect on the capital stock.

(2) Adjustment to the exercise price of stock options

Not applicable.

(3) Dividends

The year-end dividend for the current fiscal year, which has a record date of March 31, 2018, will not be affected by this stock split because the stock split will take place on April 1, 2018. The dividend will be based on the number of shares before the stock split.

**5. Partial revision to shareholder benefit program**

(1) Reason for the revision

In association with the 2-for-1 common stock split, the shareholder benefit program will be revised as follows.

(2) Details of the revision

(Underlined parts are revised.)

Prior to the revision		After the revision	
Eligible shareholders and frequency Shareholders of record on March 31 of every year receive benefits as follows based on the number of shares held. (Once a year)		Eligible shareholders and frequency Shareholders of record on March 31 of every year receive benefits as follows based on the number of shares held. (Once a year) (Unchanged)	
Benefit details Shareholders who own 100 or more and less than <u>400</u> shares	Gifts valued at 2,500 yen (Selected from the gift catalog)	Benefit details Shareholders who own 100 or more and less than <u>800</u> shares	Gifts valued at 2,500 yen (Selected from the gift catalog)
<u>400</u> or more and less than <u>2,000</u> shares	Gifts valued at 5,000 yen (Selected from the gift catalog)	<u>800</u> or more and less than <u>4,000</u> shares	Gifts valued at 5,000 yen (Selected from the gift catalog)
<u>2,000</u> or more and less than <u>4,000</u> shares	Gifts valued at 10,000 yen (Selected from the gift catalog)	<u>4,000</u> or more and less than <u>8,000</u> shares	Gifts valued at 10,000 yen (Selected from the gift catalog)
<u>4,000</u> shares or more	Gifts valued at 15,000 yen (Selected from the gift catalog)	<u>8,000</u> shares or more	Gifts valued at 15,000 yen (Selected from the gift catalog)
Delivery Shareholders of record on March 31 receive benefits in late June every year.		Delivery Shareholders of record on March 31 receive benefits in late June every year. (Unchanged)	

(3) Start of revised shareholder benefit program

The revision to the shareholder benefit program will begin with shareholders of record on March 31, 2019.