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August 12, 2021

To whom it may concern:

CareNet, Inc.
Representative: Katsuhiro Fujii, President
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Notice Regarding Stock Split and Partial Amendments to the Articles of Incorporation and Revisions to Dividend Forecast in Connection with Stock Split

CareNet, Inc. (the “Company”) has decided at a Board of Directors meeting held on August 12, 2021, to conduct a stock split, partial amendments to the Articles of Incorporation in connection with the stock split, and revisions to the dividend forecast as described below.

1. Purpose of the stock split

The purpose of the stock split is to improve the liquidity of the Company’s shares and to expand the investor base by lowering the amount per investment unit.

2. Outline of the stock split

(1) Method of the stock split

With Thursday, September 30, 2021, as the record date, the common stock held by shareholders registered or recorded in the final shareholder register on that date will be split at a ratio of four shares to one share.

(2) Number of shares to be increased by the split

Total number of outstanding shares before the stock split	11,048,000 shares
Number of shares to be increased by the stock split	33,144,000 shares
Total number of outstanding shares after the stock split	44,192,000 shares
Total number of authorized shares after the stock split	160,000,000 shares

(Note) The above total number of outstanding shares and the number of shares to be increased are presented based on the number of outstanding shares as of Thursday, August 12, 2021, may increase during the period up to the record date for the stock split due to the exercise of the 2021 First Series Stock Acquisition Rights (with exercise price adjustment clause; the “Stock Acquisition Rights”) via third-party allotment, which was decided at the Board of Directors meeting held on Thursday, August 12, 2021. For details regarding the Stock Acquisition Rights, please see “Notice Regarding Issuance of 2021 First Series Stock Acquisition Rights with Exercise Price Adjustment Clause (M-CAP* with Suspension Designation Clause) via Third-party Allotment,” separately announced on the same date.

(3) Schedule of the stock split

Date of public notice of the record date	Monday, September 13, 2021
Record date	Thursday, September 30, 2021
Effective date	Friday, October 1, 2021

(4) Effect on per share information

Per share information on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year is as follows:

	Six months ended June 30, 2020 (from January 1, 2020 to June 30, 2020)	Six months ended June 30, 2021 (from January 1, 2021 to June 30, 2021)
Basic earnings per share	4.33 yen	22.99 yen
Diluted earnings per share	–	–

(Note) Diluted earnings per share is not stated as there are no dilutive shares.

3. Partial amendments to the Articles of Incorporation in connection with the stock split

(1) Reasons for the amendments to the Articles of Incorporation

As a result of this stock split, the total number of authorized shares stipulated in Article 6 of the Company's Articles of Incorporation will be amended as of Friday, October 1, 2021, in accordance with the provisions of Article 184, Paragraph 2 of the Companies Act.

(2) Details of the amendments to the Articles of Incorporation (amended portions are underlined)

The details of the amendments are as follows:

Current Articles of Incorporation	Articles of Incorporation after Amendment
(Total number of authorized shares) Article 6 The total number of authorized shares of the Company shall be <u>40,000,000 shares</u> .	(Total number of authorized shares) Article 6 The total number of authorized shares of the Company shall be <u>160,000,000 shares</u> .
	<u>Supplementary Provision</u> <u>The effective date of the amendment to Article 6 shall be October 1, 2021. This supplementary provision shall be deleted as of the effective date of the amendment.</u>

(3) Schedule of amendments to the Articles of Incorporation

Effective date

Friday, October 1, 2021

4. Revisions to dividend forecast in connection with stock split

In connection with this stock split, the dividend forecast for the fiscal year ending December 31, 2021, announced on February 10, 2021, has been revised as follows.

	Dividends per share		
	Second quarter-end	Fiscal year-end	Total
Previous forecast (Announced on February 10, 2021)		8.00 yen	8.00 yen
Current revised forecast (Note)		2.00 yen	2.00 yen
Results for the fiscal year ending December 31, 2021	0.00 yen		
Results for the fiscal year ended December 31, 2020	0.00 yen	8.00 yen	8.00 yen

(Note) Dividend amounts for the current revised forecast are after the stock split.

5. Others

(1) Change in the amount of capital stock

There will be no change in the amount of capital stock in connection with this stock split.