



NEWS RELEASE

August 8, 2017

Company name: ALCONIX CORPORATION
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Representative: Eiitsu Masaki, President and CEO
Listing: Tokyo Stock Exchange, First Section
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Notice of Stock Split, Partial Revision to the Articles of Incorporation Following the Stock Split, and Revision to Dividend Forecast

Pursuant to the provisions of Article 370 of the Companies Act and Article 23 of its Articles of Incorporation (Written Resolution in lieu of a Resolution by the Board of Directors), ALCONIX CORPORATION (the “Company”) approved a stock split, partial revision to the Articles of Incorporation following the stock split, and revision to dividend forecast.

1. Purpose of the stock split

The stock split will reduce the amount of investment required per share, and enhance the liquidity of ALCONIX shares thus making it easier to invest in its shares and expand the shareholder base.

2. Summary of the stock split

(1) Method of the stock split

Shareholders listed in the final shareholder register on the record date of August 31, 2017 (Thursday) will receive two shares of common shares for each share held on the same day.

(2) Increase in the number of shares due to the stock split

Number of shares outstanding before the stock split:	12,910,800 shares
Increase in the number of shares due to the stock split:	12,910,800 shares
Number of shares outstanding after the stock split:	25,821,600 shares

The number of common shares outstanding after the stock split is calculated based on the number of shares outstanding as of June 30, 2017. Potential increases in the number of shares outstanding following any exercise of stock options has not been taken into account. This stock split will not change ALCONIX’s capital stock.

3. Schedule

Announcement of record date (Electronic notification starts):	August 16, 2017 (Wednesday)
Record date:	August 31, 2017 (Thursday)
Effective date:	September 1, 2017 (Friday)

4. Partial revision to the Articles of Incorporation following the stock split

(1) Reasons for the revision

In association with this stock split, pursuant to Article 184, Paragraph 2 of the Companies Act and Articles 6 of ALCONIX Articles of Incorporation will be amended on August 8, 2017. The amendment shall be executed by a written resolution in lieu of a resolution by the Board of Directors in accordance with the provisions of Article 370 of the Companies Act and Article 23 of ALCONIX Articles of Incorporation. The total number of shares authorized to be issued by the Company shall be increased by 32 million shares to 64 million shares.

(2) Amendment details

(Underlined parts are amended.)

Current	After revision
(Total number of authorized shares) Article 6 The total number of shares authorized to be issued by the Company shall be <u>32 million</u> shares.	(Total number of authorized shares) Article 6 The total number of shares authorized to be issued by the Company shall be <u>64 million</u> shares.

Note: The Article of Incorporation will be amended on the effective date of September 1, 2017.

5. Revision to dividend forecast for the 37th term (ending March 31, 2018)

Based on the above stock split and the basic policy for earnings distributions, the forecast for the dividend applicable to the fiscal year ending on March 31, 2018 has been revised as follows for the purpose of returning more earnings to shareholders.

Dividend per share

(Yen)

	Interim dividend	Year-end dividend	Annual dividend
Previous forecast (announced on May 15, 2017)	22.00	22.00	44.00
Revised forecast [Before adjustment to reflect the stock split] (Note)	13.00 [26.00]	13.00 [26.00]	36.00 [52.00]
Previous fiscal year results (FY3/17)	22.00	22.00	44.00

Note: The annual dividend forecast for FY3/18 will be equivalent to 52 yen per share before the stock split, which is 8 yen more than the dividend for the previous fiscal year.

(Reference)

Adjustment to the exercise price of stock options

As a result of the above stock split, the exercise price of stock options issued by ALCONIX shall be adjusted as follows on or after September 1, 2017.

(Yen)

Adjustment to the exercise price of stock options		
	Previous exercise price	Adjusted exercise price
Stock option No. 6 (Resolved at the Annual General Meeting of Shareholders held on June 24, 2008)	1,294	647