Notice Regarding Determination of Number of New Shares to be Issued by Way of <u>Third-Party Allotment</u>

April 18th, 2014

The company announces that SMBC Nikko Securities Inc. (hereinafter SMBC Nikko) as the allottee notified its subscription for the ordinary 304,200 shares to be issued by way of third-party allotment as resolved in the company's board of directors' meetings on February $19^{\rm th}$ and March $7^{\rm th}$, 2014.

The company, in relation to public offering of shares, and sales of underwritten shares by their underwriters pursuant to listing of its ordinary shares on "Mothers" Section of the Tokyo Stock Exchange, also carried out a secondary offering of 304,200 ordinary shares (hereinafter offering by overallotment) with SMBC Nikko as the seller.

This third-party allotment was conducted in favor of SMBC Nikko in order that it returns to Yoshiyuki Sankai (the major shareholder of the company), shares borrowed from him in relation to the offering by overallotment mentioned above.

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1. Outline of shares to be issued

(1)	Number of shares to be issued	Ordinary shares	304,200 shares
(2)	Amount to be paid	Per share	JPY2,295
(3)	Total amount to be paid		JPY698,139,000
(4)	Allotment price	Per share	JPY3,404
(5)	Aggregated allocation value		JPY1,035,496,800
(6)	Matters related to stated capital or capital reserves to be increased	Stated capital to be increased per share	JPY1,702
		Capital reserves to be increased per share	JPY1,702
(7)	Allottee and number of new shares	SMBC Nikko	304,200 shares
(8)	Subscription unit		100 shares
(9)	Subscription date	Tuesday, April 22 nd , 2014	
(10)	Payment date	Wednesday, April 23 rd , 2014	

Note:

Amount to be paid is defined in Companies Act Article 199, Paragraph 1, Item 2. The amount to be paid by the allottee is the allotment price (the same amount as the subscription price of the issuance of its new shares and the secondary offering of shares pursuant to listing the Company's ordinary shares on "Mothers" Section of the Tokyo Stock Exchange).

2. Change in the total number of issued ordinary shares and the amount of stated capital as the result of third-party allotment

Total number of issued ordinary shares at present	10.853.400 shares.
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(Stated capital at present)	JPY 5,428,919,000)
Increase in number of increased shares by the allotment	304,200 shares.
(Increase in stated capital by the allotment	JPY517,748,400)
Total number of issued ordinary shares after the allotment	11,157,600 shares.
(Stated capital after the allotment	JPY5,946,667,400)

Note:

The company issued Class B shares which are different from the ordinary shares. Total number of issued Class B shares is 7,770,000 shares and will not change after the issuance of new shares (the third-party allotment).

3. Use of the net proceeds

The net proceeds of this third-party allotment JPY 1,031,846 together with the net proceeds of public offering JPY4,137,188 are to be appropriated to:

- R&D cost JPY960,000k by FYE March 31st, 2018
- stock increase of Robot Suits HAL** JPY 2,299,034k as inventory and assets for rental business, by FYE March 31st, 2017
- acquisition of fixed assets JPY980,000k including increase of Robot Suits HAL for business promotion JPY 665,000k by FYE March 31st, 2016
- loans to and investments into subsidiaries JPY930,000k by FYE March 31st, 2016 as initial expenses for international business promotion.

The Company plans to use low-risk financial instruments, etc. to manage the aforementioned capital until the actual appropriation.

**Robot Suits HAL

Robot Suit HAL (hereinafter HAL) is the world's first cyborg-type robot that was developed in order to improve, assist and extend human bodily functions. HAL stands for Hybrid Assistive Limb. Hybrid means a mixture of different elements, such as a mixture of human and machine, a voluntary control system and an autonomous control system, and so on. Assistive means assistance and Limb refers to arms and legs. The abbreviation, HAL represents such components and is often used also for names of peripherals based on HAL principles.

IR Calendar

FY2014 (Apr. 2014 - Mar. 2015)

	1 st quarter			2 nd quarter		3 rd quarter		4 th quarter				
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Financial		full			1Q			2Q			3Q	
Results		year			results			results			results	
Announcement		results										
Meeting												
Explanatory		yearly						mid-year				
Meeting		results						interim				
		meeting						results				
								meeting				
Shareholders'			ordinary									
Meeting			shareholders'									
			meeting									