



August 30, 2013

To whom it may concern :

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Announcement of Stock Split, Adoption of Share Unit System, and Partial Amendment to the Articles of Incorporation

Digital Garage, Inc. (the "Company") announces that the Board of Directors at the meeting held this day passed a resolution authorizing a stock split, adoption of a share unit system, partial amendments to the Articles of Incorporation and a revision of the dividend forecast, as stated below.

Details

1. Purpose of Stock Split, Adoption of a Share Unit System and Partial Amendments to the Articles of Incorporation

The Company has decided to adopt a share unit system, which defines 100 shares as one unit, in accordance with the Action Plan for the Consolidation of Trading Units announced by Japanese stock exchanges on November 27, 2007. It has also decided to conduct a stock split at a ratio of 200 shares to one, to expand the base of investors in its stock by increasing the liquidity of the stock.

2. Overview of Stock Split

(1) Method of split

Shares of common stock held by shareholders, who are listed or recorded in the final shareholder registry as of the record date of September 30 (Monday), 2013, will be split on the same date at a ratio of 200 to one.

(2) Number of shares to increase resulting from the stock split

The following numbers of shares are available when a preliminary calculation is made based on the total number of shares outstanding as of June 30, 2013. The numbers, however, may increase due primarily to exercises of stock options.

(2) Content of proposed amendments (Changes are underlined)

Current articles	Articles after amendment
(Total number of shares authorized to be issued)	(Total number of shares authorized to be issued)
Article 6 The total number of shares authorized to be issued by the Company shall be six hundred thousand (600,000).	Article 6 The total number of shares authorized to be issued by the Company shall be one hundred and twenty million (120,000,000).
(Newly established)	(Share unit)
Article 7 through Article 42 (Text omitted)	Article 7 The number of shares constituting one share unit of the Company shall be one hundred (100).
(Newly established)	Article 8 through Article 43
(Newly established)	(Unchanged)
(Newly established)	Supplementary Provisions
	Article 1
	The amendment to Article 6, the establishment of new Article 7 and the renumbering of the following articles shall take effect on and after October 1, 2013.
	2 These supplementary provisions shall be deleted as of the effective date stated in the preceding paragraph.

Note: Apart from the content stated above, the proposal for amendments to the Articles of Incorporation that aims to define the content of rights to shares constituting less than one share unit will be submitted at the 18th ordinary general meeting of shareholders to be held on September 26, 2013. For details, refer to the "Announcement of Partial Amendments to the Articles of Incorporation" announced today.

5. Revision of Year-End Dividends

Following the stock split, the Board of Directors of the Company will revise its dividend forecast for the year ending June 30, 2014, which was announced on August 13, 2013, to five (5) yen per share, one 200th of one thousand (1,000) yen for the year-end dividend forecast. Since the revision will be accompanied by the implementation of the stock split, no virtual change will take place.

	Dividend per share		
	End of 2 nd quarter	Year-end	Annual
Previous forecast (August 13, 2013)	0.00 yen	1,000.00 yen	1,000.00 yen
Revised forecast	0.00 yen	5.00 yen	5.00 yen
Previous year actual (Fiscal year ended June 30, 2013)	0.00 yen	1,000.00 yen	1,000.00 yen

[Reference]

- (1) This stock split does not increase the Company's capital.
- (2) Following the stock split on October 1, 2013 and thereafter, the Company will adjust the strike prices per share of its stock options issued by the Company, as stated below.

	Strike price prior to adjustment	Strike price after adjustment
4 th stock options	184,879 yen	925 yen
6 th stock options	304,500 yen	1,523 yen
7 th stock options	297,095 yen	1,486 yen
9 th stock options	1 yen	1 yen
10 th stock options	1 yen	1 yen

- (3) As the effective date for this stock split is fixed on October 1, 2013, year-end dividends for the fiscal year ended June 30, 2013 will be paid in accordance with the number of shares prior to the stock split.