



Notice of Change in the Share Unit Number, Share Consolidation, and Partial Amendment to Articles of Incorporation in Conjunction Therewith

Listed company name: NS UNITED KAIUN KAISHA, LTD.
Code number: 9110 (URL: <http://www.nsuship.co.jp/english/index.html>)
Company Representative: Toru Obata, President
Contact for inquiry: Toru Kihira, General Manager, General Affairs Group
(Phone) 81-3-6895-6660 (E-Mail) legal@nsuship.co.jp

NS United Kaiun Kaisha Ltd. (“NSU”) hereby announces that NSU resolved, at the meeting of the board of directors held today, pursuant to the Companies Act, Article 195, Paragraph 1, to make a partial amendment to the Articles of Incorporation to change the share unit number, and to submit the proposal of share consolidation to the 91st ordinary general meeting of shareholders scheduled to be convened on Late June, 2017 (the “Ordinary General Meeting of Shareholders”).

Both the partial amendment to the Articles of Incorporation and the share consolidation are to take effect on October 1, 2017, subject to the approval of the proposal of the share consolidation at the Ordinary General Meeting of Shareholders.

1. Change in the Share Unit Number

(1) Reasons for change

For the greater convenience of investors and other market participants, all Japanese stock exchanges are promoting the “Action Plan for Consolidating Trading Units”, under which the listed domestic companies are encouraged to uniformly set their trading units of common shares (share unit number) at 100 shares. In light of the intent of this action plan, NSU decided to change the share unit number from 1,000 to 100 shares as of October 1, 2017.

(2) Particulars of Change

The share unit number will be changed from 1,000 to 100 shares.

(3) Conditions for Change

According to the Companies Act, the partial amendment to the Articles of Incorporation for this matter is to take effect upon the resolution in the meeting of the board of directors. However, today’s resolution by the board of directors will take effect on October 1, 2017 subject to the approval of the proposal of the share consolidation at the Ordinary General Meeting of Shareholders.

2. Share Consolidation

(1) Objectives of Consolidation

As discussed above, NSU decided to implement share consolidation under which every 10 shares are consolidated into 1 share (the "Share Consolidation"). This is to maintain the price level of a trading unit and the number of voting rights of shareholders following the change in the share unit number.

In accordance with above, NSU reduces its total number of authorized shares from 600 million to 60 million shares.

(2) Particulars of Consolidation

- (i) Class of shares to be consolidated Common Shares
- (ii) Consolidation ratio On October 1, 2017, holders' shares recorded in the latest register of shareholders as of September 30, 2017 are consolidated in the ratio of 10 to 1 share.
- (iii) Total number of authorized shares after consolidation 60,000,000 shares (600,000,000 shares before consolidation)
Pursuant to Article 182, Paragraph 2 of the Companies Act, it will be deemed that the Article of Incorporation is amended as above with respect to the change of total number of authorized shares on effective date of the Share Consolidation (October 1, 2017)
- (iv) Number of shares reduced after consolidation (as of September 30, 2016)

Issued shares before consolidation	239,706,793 shares
Number of shares reduced after consolidation	215,736,114 shares
Issued shares after consolidation	23,970,679 shares

- (v) Number of shareholders reduced after consolidation (as of September 30, 2016)

The shareholder composition based on the register of shareholders is as follows:

Number of holding shares	Number of shareholders (percentage of total)	Total number of shares (percentage of total)
Less than 10 shares	218 (2.58%)	688 shares (0.00%)
10 or more shares	8,237 (97.42%)	239,706,105 shares (100.00%)
Total	8,455 (100.00%)	239,706,793 shares (100.00%)

218 shareholders who hold less than 10 shares each (the total number of shares held by those shareholders is 688 as of September 30, 2016), will lose their status as shareholders upon the Share Consolidation.

- (vi) Treatment of fractional shares

If any fractional shares arise because of the Share Consolidation, pursuant to the Article 235 of the Companies Act, NSU will sell all such fractional shares and distribute the proceeds to respective shareholders in proportion to their fractions.

(3) Conditions for Consolidation

Subject to the approval of the proposal of the Share Consolidation at the Ordinary General Meeting of Shareholders, the Share Consolidation will take effect on October 1, 2017.

3. Partial amendment of Articles of Incorporation

(1) Objectives of the Amendment

A partial amendment of the Articles of Incorporation accompanies with 1. and 2. above. For this matter, the board of directors resolves without the approval at the Ordinary General Meeting of Shareholders pursuant to the Article 182 and 195 of the Companies Act.

(2) Particulars of the Amendment

NSU's Articles of Incorporation will be amended as follows on October 1, 2017 subject to the approval of the proposal of the Share Consolidation described in 2. above at the Ordinary General Meeting of Shareholders.

(Underlines reflect the amendments)

Current Articles of Incorporation	Proposal of amendment to Articles of Incorporation
Article 6: (Total Number of Shares) The total number of shares, which the Company has authority to issue, shall be <u>600,000,000</u> .	Article 6: (Total Number of Shares) The total number of shares which the Company has authority to issue shall be <u>60,000,000</u> .
Article 7: (Unit of Shares) <u>One thousand (1,000)</u> shares of the Company shall constitute one (1) unit.	Article 7: (Unit of Shares) <u>One hundred (100)</u> shares of the Company shall constitute one (1) unit.

4. Summary Schedule

March 30, 2017	Meeting of the Board of Directors
Mid-May 2017 (scheduled)	Meeting of the Board of Directors (Resolution to convene a general meeting of shareholders)
Late June 2017 (scheduled)	91st Ordinary General Meeting of Shareholders
October 1, 2017 (scheduled)	Effective date of change in the share unit number, share consolidation, and the partial amendment to the Articles of Incorporation

(Note) As set forth above, the effective date of the change in the share unit number and share consolidation is scheduled on October 1, 2017. However, in relation to book-entry procedures, trades of NSU shares by 100 -share unit will commence on and after September 27, based on the assumption that the changes as above will be effective.

End

Attached Materials

(Reference) Q&A Regarding the change in the share unit number and Share Consolidation

(Reference)

Q&A Regarding the Change in the share unit number and Share Consolidation

Q1. What is the purpose of the change in the share unit number and share consolidation?

A1. For the greater convenience of investors and other market participants, all Japanese stock exchanges are promoting the “Action Plan for Consolidating Trading Units”, under which the listed domestic companies are encouraged to uniformly set their trading units of common shares (share unit number) at 100 shares. In light of the intent of this action plan, NSU decided to change the share unit number from 1,000 shares to 100 shares as of October 1, 2017.

NSU will also implement share consolidation under which every 10 shares are consolidated into 1 share (the “Share Consolidation”) in order to maintain the price level of a trading unit and the number of voting rights of shareholders following the change in the share unit number.

Q2. What is the specific schedule going forward?

A2. The summary (planned) schedule for the change in the share unit number and share consolidation is as follows:

Mid-May, 2017 (scheduled)	Meeting of the Board of Directors (Resolution to convene a general meeting of shareholders)
Late June 2017 (scheduled)	Ordinary General Meeting of Shareholders
September 26, 2017* (scheduled)	Change in the trading unit of NSU shares to 100 shares
October 1, 2017* (scheduled)	Effective date of the change in the share unit number and share consolidation
Early November, 2017*	Share consolidation allotment notices sent to shareholders
Early December, 2017*	Beginning of proceeds distribution from sale of fractional shares

*It is assumed that the proposal of the share consolidation will be approved in the Ordinary General Meeting of Shareholders scheduled to be convened on Late June 2017.

Q3. Will the share consolidation have any impact on asset value?

A3. Because NSU’s assets and stated capital remain unchanged after the share consolidation, aside from stock market trends and other factors, in theory, there will be no difference in the asset value of shareholders’ shares. This is because, after the share consolidation, the amount of net assets per share increases tenfold while the number of shares held by a shareholder becomes one-tenth of the original number.

<Example of number of shares/asset value before and after the share consolidation (aside from stock market trends and other factors)>

Before share consolidation			⇒	After share consolidation		
Number of shares	Net assets per share	Asset value		Number of shares	Net assets per share	Asset value
1,000 shares	250 yen	250,000 yen		100 shares	2,500 yen	250,000 yen

Q4. How will the number of shares and voting rights be affected?

A4.

<Number of shares>

Each holder's shares (as recorded in the latest register of shareholders as of September 30, 2017) will become one-tenth of the original corresponding number, rounding down to the nearest whole share, on October 1, 2017 in their securities account or in other financial institutions.

If any fractions of shares arise because of the share consolidation, NSU will purchase and sell them in the market, and distribute the proceeds to respective shareholders in proportion to their fractions (the specific schedule is as set forth in Question 2).

<Number of voting rights>

While each holder's number of shares will become one-tenth through the share consolidation, the share unit number will also change from 1000 to 100 shares, and consequently each holder's number of voting rights remains unchanged.

Please see the examples below to depict the change in the number of shares, voting rights and share unit number before and after the share consolidation:

	Before share consolidation		⇒	After share consolidation		
	Number of share held	Number of voting rights		Number of share held	Number of voting rights	Resulting fractional shares
Example 1	2,000 share	2 votes		200 shares	2 votes	None
Example 2	1,500 share	1 votes		150 shares	1 votes	None
Example 3	555 share	None		55 shares	None	0.5 share
Example 4	1 share	None		None	None	0.1 share

- In Example 2 and Example 3, the holder has shares constituting less than one unit of shares after the consolidation (50 shares in Example 2 / 55 shares in Example 3), and may, at his/her request, utilize the additional purchase or buyback program for fractional shares in the same way as before.
- In Example 3 and Example 4, NSU will purchase and sell the fractional shares that arise (0.5 share in Example 3 / 0.1 share in Example 4), and distribute the proceeds to respective shareholders in proportion to their fractions.
- In Example 4, the holder ceases to maintain shares after the share consolidation, and therefore loses his/her status as a shareholder.

In the case where a shareholder has open accounts with multiple securities companies, in principle, the share consolidation procedures will be implemented with respect to the balance of NSU shares registered in the transfer account book of each securities company. Please inquire with your securities company for details.

Q5. Are there any procedures that shareholders must take?

A5. No special procedures are necessary.

Q6. Is there any way to avoid fractional shares?

A6. It is possible to avoid having fractional shares by utilizing the additional purchase or buyback program prior to the share consolidation coming into effect.

Your securities dealer will take requests for additional purchase or buyback program. For shareholders without an account in a securities company, please inquire with the registration agent as stated below.

[Inquiries]

If you have any questions regarding the change in the share unit number or share consolidation, please inquire with your securities company or the following registration agent.

Administrator of shareholder registry:

Mizuho Trust & Banking Co., Ltd.

Transfer Agency Department

Contact address: 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507

Telephone number: 0120-288-324 (Toll-free for domestic calls only)

+81-42-679-6607 (phone calls from outside Japan)

Reception hours: Weekdays 9:00 a.m. to 5:00 p.m. /JST (excluding weekends and holidays)

End