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For Immediate Release

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Notice Concerning the Change of the Number of Shares Constituting a Unit, Reverse Stock Split and Partial Amendments to the Articles of Incorporation

NIPPON SHOKUBAI CO., LTD. (the “Company”) hereby announces that at the meeting of the Board of Directors held on May 11, 2015, the Company resolved to change the number of shares constituting a unit and to partially amend the Articles of Incorporation. The Company also resolved to propose a reverse stock split at the 103rd Ordinary General Meeting of Shareholders to be held on June 19, 2015, as described below.

Based on the “Action Plan for Consolidating the Trading Units (announced on November 27, 2007),” the securities exchanges of Japan aim to make the trading units of shares of all of the listed companies in Japan uniformly 100 shares. As a company listed on the Tokyo Stock Exchange, the Company determined, in light of the intent of such action plan, to change the trading unit of shares (number of shares constituting a unit) from the current 1,000 shares to 100 shares. In order to ensure that shareholders will hold the Company’s stock stably and to minimize the impact on the shareholders’ rights as much as possible, the Company will also implement a reverse stock split (at a ratio of one share for every five shares) in the aim of adjusting the investment unit to an appropriate level, taking into consideration medium to long-term stock price fluctuations.

1. Change of the number of shares constituting a unit

(1) Reason for the change

The Company will make the change in order to respond to the above-mentioned “Action Plan for Consolidating the Trading Units.”

(2) Details of the change

The Company will change the number of common shares constituting a unit from 1,000 shares to 100 shares.

(3) Scheduled date of change

October 1, 2015

(4) Conditions for the change

The change requires that the proposal concerning “2. Reverse stock split” below is approved at the 103rd Ordinary General Meeting of Shareholders to be held on June 19, 2015.

2. Reverse stock split

(1) Type of shares to be subject to the reverse stock split

Common stock

(2) Method of the reverse stock split

The shares will be made subject to a reverse stock split on October 1, 2015 at a ratio of one share for every five shares, based on the number of shares held that is entered or recorded on the final shareholder registry as of September 30, 2015.

(3) Decrease in the number of shares due to the reverse stock split

Total number of issued shares before the reverse stock split (as of March 31, 2015)	204,000,000 shares
Decrease in the number of shares due to the reverse stock split	163,200,000 shares
Total number of issued shares after the reverse stock split	40,800,000 shares

(Note) “Decrease in the number of shares due to the reverse stock split” is a theoretical value obtained by multiplying the total number of issued shares before the reverse stock split by the reverse stock split ratio.

(4) Impact of the reverse stock split

The reverse stock split will reduce the total number of issued shares to one fifth, but as there will be no change in net assets and others, the net assets per share will be five times as much as before the reverse stock split.

As a result of “1. Change of the number of shares constituting a unit” and the reverse stock split, the investment unit of the Company’s stock will be one-half of its previous level, which is expected to increase the liquidity of the Company’s stock in the market.

◎ Handling of fractional shares

If any fractional shares of less than one share are created as a result of the reverse stock split, pursuant to Articles 234 and 235 of the Companies Act, the Company will dispose all such fractional shares in a lump sum, and distribute to the shareholders who held the fractional shares the proceeds from the disposition in proportion to the number of their fractional shares. The expected amount of the proceeds to be distributed and the grounds for the calculation are as below.

Expected amount:	906,182 yen
Grounds for the calculation:	Amount obtained by multiplying the number of shares of the Company’s stock less than five shares as of March 31, 2015 (514 shares) by the closing price of the Company’s common stock on the Tokyo Stock Exchange as of the same day (1,763 yen)

◎ Decrease in the number of shareholders due to the reverse stock split

(As of March 31, 2015)

	Number of shareholders (ratio)	Number of shares held (ratio)
All shareholders	10,207 (100.00%)	204,000,000 shares (100.00%)
Shareholders holding less than 5 shares	281 (2.75%)	514 shares (0.00%)
Shareholders holding 5 shares or more	9,926 (97.25%)	203,999,486 shares (100.00%)

(Note) Assuming the reverse stock split is implemented based on the above shareholder composition, the 281 shareholders who hold less than five shares will lose their status as shareholders. Such shareholders are able to utilize the “buyback of shares of less than one unit” procedure or the “additional purchase of shares of less than one unit” procedure prior to the effective date of the reverse stock split, and therefore such shareholders are encouraged to contact their securities firms or the administrator of the Company’s shareholder registry.

(5) Total number of authorized shares as of the effective date of the reverse stock split
127,200,000 shares

◎ Conditions for the reverse stock split

The reverse stock split requires that the proposal concerning the reverse stock split is approved at the 103rd Ordinary General Meeting of Shareholders to be held on June 19, 2015.

3. Partial amendments to the Articles of Incorporation

(1) Reason for Amendments

The Company will make the amendments in connection with “1. Change of the number of shares constituting a unit” and “2. Reverse stock split” above. Pursuant to Article 182, paragraph (2) and Article 195, paragraph (1) of the Companies Act, the Articles of Incorporation will be amended without the approval of the General Meeting of Shareholders.

(2) Details of Amendments

The details of amendments are as follows:

(Underlined part indicates amendment)

Current Articles of Incorporation	Proposed Amendments
(Number of authorized shares) Article 6. The total number of authorized shares of the Company shall be <u>636 million shares</u> .	(Number of authorized shares) Article 6. The total number of authorized shares of the Company shall be <u>127.2 million shares</u> .
(Number of shares constituting a unit) Article 8. The number of shares constituting a unit of the Company shall be <u>1,000 shares</u> .	(Number of shares constituting a unit) Article 8. The number of shares constituting a unit of the Company shall be <u>100 shares</u> .

(3) Effective date of amendments

October 1, 2015

(4) Conditions for amendments

The amendments require that the proposal concerning “2. Reverse stock split” is approved at the 103rd Ordinary General Meeting of Shareholders to be held on June 19, 2015.

4. Schedule of change of the number of shares constituting a unit, reverse stock split and partial amendments to the Articles of Incorporation

Resolution at the Board of Directors Meeting	May 11, 2015
Resolution at the Ordinary General Meeting of Shareholders	June 19, 2015 (scheduled)
Effective date of the reverse stock split and change of the number of shares constituting a unit	October 1, 2015 (scheduled)
Effective date of the partial amendments to the Articles of Incorporation	October 1, 2015 (scheduled)

(Reference)

As stated above, the effective date of change of the number of shares constituting a unit is October 1, 2015, but the trading unit of the Company’s stock on the Tokyo Stock Exchange will be changed to 100 shares effective on September 28, 2015 in practice due to the transfer procedures after the stock trading.

[End of Document]

Attachment: <Reference> Q&A Concerning the Change of the Number of Shares Constituting a Unit and Reverse Stock Split

<Reference>

Q&A Concerning the Change of the Number of Shares Constituting a Unit and Reverse Stock Split

Q1. What is a change of the number of shares constituting a unit and a reverse stock split?

- A1. A change of the number of shares constituting a unit means a change of the number of shares that is a unit of voting rights at general meetings of shareholders and a trading unit at stock exchanges. In the proposed change, the Company is going to change the number of shares constituting a unit from 1,000 shares to 100 shares. A reverse stock split means a combination of a given number of shares into a smaller number.

Q2. What is the purpose of the change of the number of shares constituting a unit and reverse stock split?

- A2. Based on the “Action Plan for Consolidating the Trading Units (announced on November 27, 2007),” the securities exchanges of Japan aim to make the trading units of shares of all of the listed companies in Japan uniformly 100 shares. As a company listed on the Tokyo Stock Exchange, the Company determined, in light of the intent of such action plan, to change the trading unit of shares (number of shares constituting a unit) from the current 1,000 shares to 100 shares. In order to ensure that shareholders will hold the Company’s stock stably and to minimize the impact on the shareholders’ rights as much as possible, the Company will also implement a reverse stock split (at a ratio of one share for every five shares) in the aim of adjusting the investment unit to an appropriate level, taking into consideration medium to long-term stock price fluctuations.

Q3. What will happen to the number of shares and voting rights held by shareholders?

- A3. The number of shares held by shareholders after the reverse stock split will be the number obtained by multiplying the number of shares entered or recorded on the final shareholder registry as of September 30, 2015 by one fifth (any fractional shares of less than one share will be rounded down). The number of voting rights will be one for every 100 shares held after the reverse stock split.

Specifically, the numbers of shares and voting rights held by shareholders before and after the effectiveness of the reverse stock split and the change of the number of shares constituting a unit (scheduled on October 1, 2015) will be as follows:

	Before effectiveness		After effectiveness		
	Number of shares held	Number of voting rights	Number of shares held	Number of voting rights	Fractional shares of less than one share
Example 1	1,572 shares	1	314 shares	3	0.4 shares
Example 2	1,000 shares	1	200 shares	2	None
Example 3	630 shares	None	126 shares	1	None
Example 4	589 shares	None	117 shares	1	0.8 shares
Example 5	43 shares	None	8 shares	None	0.6 shares
Example 6	1 shares	None	None	None	0.2 shares

If any fractional shares of less than one share are created as a result of the reverse stock split (as in Examples 1, 4, 5 and 6), the Company will dispose all such fractional shares in a lump sum, and pay the proceeds from the disposition to the shareholders who held the fractional shares in proportion to the number of their fractional shares. Such shareholders are able to utilize the “buyback of shares of less than one unit” procedure or the “additional purchase of shares of less than one unit” procedure prior to the effective date of the reverse stock split in order to avoid the disposition of their fractional shares. For specific procedures, shareholders are encouraged to contact their securities firms or the administrator of the Company’s shareholder registry specified below(*).

If the number of shares held prior to the effective date is less than five (as in Example 6), all of the shares held will become fractional shares after the reverse stock split, and the shareholders thereof will lose their status as shareholders. We deeply apologize for the inconvenience and appreciate your understanding.

Q4. The number of shares held will be reduced by reverse stock split. Will that impact the asset value of the shares?

A4. There is no change in the Company's assets or capital before and after the reverse stock split, and therefore there should be no change in the asset value of the Company's stock held by the shareholders, except due to other factors, such as changes in the stock market. The number of shares held will be reduced to one fifth of the number before the reverse stock split but the net asset value per share will become fivefold. Theoretically speaking, the stock price will also be five times as high as before the reverse stock split.

Q5. Are there any procedures necessary in connection with the reverse stock split?

A5. There are no particular procedures. As stated in Q3 above, shares less than five shares will become fractional shares after the reverse stock split. The Company will dispose such fractional shares in a lump sum and pay the proceeds from the disposition to shareholders who held the fractional shares in proportion to the number of their fractional shares.

Q6. Will the Company buy back or sell shares constituting less than one unit even after the reverse stock split?

A6. After the reverse stock split, shareholders holding shares of less than one unit that cannot be traded in the market are able to utilize the programs of purchasing or having bought back shares of less than one unit in the same manner as before the reverse stock split becomes effective. For specific procedures, shareholders are encouraged to contact their securities firms or the administrator of the Company's shareholder registry specified below(*).

Q7. Will there be any impact on dividends?

A7. The number of shares held will be reduced to one fifth due to the reverse stock split, but after the reverse stock split becomes effective, the Company will determine the dividends per share considering the reverse stock split ratio. Therefore, the total amount of dividends that shareholders will receive will not change on account of the reverse share split, putting aside other factors, such as fluctuation in the Company's results of operation. However, dividends will not be paid on any fractional shares created through the reverse stock split.

Q8. What is the detailed schedule?

A8. The schedule is as follows:

May 11, 2015:	Resolution by the board of directors
June 19, 2015:	Resolution at the ordinary general meeting of shareholders
September 25, 2015:	Last day of trading with 1,000 share units
September 28, 2015:	First day of trading with 100 share units
October 1, 2015:	Effective date of the change of the number of shares constituting one unit and the reverse stock split
Middle of November 2015:	Mailing of share allotment letters (scheduled)
Early December 2015:	Payment of the proceeds from the disposition of fractional shares (scheduled)

* Administrator of the Company's shareholder registry

Mitsubishi UFJ Trust & Banking Corporation, Osaka Securities Transfer Agent Dept.

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