

English Translation

May 9, 2017

To whom it may concern

Name of the company	NIPPON EXPRESS CO., LTD.
Name of representative	Mitsuru Saito
	President and CEO
	(Code No. 9062
	First Section of the Tokyo Stock
	Exchange)

Notice of Changes to the Number of Shares Constituting One Share Unit,
Consolidation of Shares and Partial Amendments to Articles of Incorporation

At the Board of Directors meeting held today, NIPPON EXPRESS CO., LTD. (the “Company”) resolved to submit proposals regarding consolidation of shares and partial amendments to the Articles of Incorporation to the Company’s 111th Ordinary General Meeting of Shareholders to be held on June 29, 2017. In addition, the Company resolved to change the number of shares constituting one share unit, subject to the approval of proposals regarding the consolidation of shares and the partial amendments to the Articles of Incorporation at the Ordinary General Meeting of Shareholders, as described below.

Notes

1. Change to the Number of Shares Constituting One Share Unit

(1) Reason for the Change

Domestic stock exchanges have released the “Action Plan for Consolidating Trading Units,” and have been pushing to transition to a single trading units of 100 shares for all domestically listed companies. In light of the intent of this action plan, the Company, as a company listed on the Tokyo Stock Exchange, decided to change the number of shares constituting one share unit, which is the trading unit of the Company’s stock, from 1,000 shares to 100 shares.

(2) Details of the Change

The Company will change the number of shares constituting one share unit of its common stock from 1,000 shares to 100 shares as of October 1, 2017.

(3) Conditions for the Change

This change is subject to the approval of proposals regarding “2. Consolidation of Shares” and “3. Partial Amendments to the Articles of Incorporation” at the Company’s 111th Ordinary General Meeting of Shareholders to be held on June 29, 2017.

2. Consolidation of Shares

(1) Reason for the Consolidation of Shares

In changing the number of shares constituting one share unit from 1,000 shares to 100 shares as mentioned in 1. (1) Reason for the Change above, in order to keep the share price at the current level and not to change the number of voting rights owned by the shareholders after the change to the number of shares per share unit, the Company decided to carry out a consolidation of shares at the same level.

(2) Details of the Consolidation of Shares

1) Class of shares to be consolidated: Common stock

2) Method and ratio of consolidation: As of October 1, 2017, shares held by shareholders recorded in the latest shareholder registry as of September 30, 2017 (September 29, 2017 substantially) will be consolidated at the ratio of 10 shares to 1 share.

3) Number of shares reduced through consolidation

Total number of issued shares before consolidation (as of March 31, 2017)	998,000,000 shares
Number of shares reduced through consolidation	898,200,000 shares
Total number of issued shares after consolidation	99,800,000 shares

(Note) “Number of shares reduced through consolidation” is a theoretical value calculated by multiplying the total number of issued shares before share consolidation by the share consolidation ratio.

(3) Effects of the Consolidation of Shares

The consolidation of shares will decrease the total number of issued shares to one-tenth of the current number. However, as the Company’s net assets and other values will remain unchanged and the value of net assets per share will increase by ten (10) times, the asset value of the Company’s shares will not change, unless due to other factors such as changes in the stock market, etc.

(4) Number of Shareholders Reduced Through the Consolidation of Shares

Composition of shareholders listed in the Company's shareholder registry as of March 31, 2017.

	Number of Shareholders (%)		Number of Shares Held (%)	
Total number of shareholders	57,479	(100%)	998,000,000 shares	(100%)
Less than 10 shares	1,298	(2.3%)	4,549 shares	(0.0%)
10 shares or more	56,181	(97.7%)	997,995,451 shares	(100%)

* If the consolidation of shares is carried out based on the above composition of shareholders, 1,298 shareholders who hold less than ten (10) shares (the total number of shares held by those shareholders is 4,549) will lose their status as a shareholder. However, such shareholders may apply either to purchase additional shares in order to expand their holdings to at least one share unit or to sell their holdings to the Company before the consolidation of shares comes into effect. For details regarding these procedures, please inquire your securities company or the administrator of shareholder registry mentioned at the end of this document.

(5) Handling of Fractional Shares Less Than One (1) Share

If there is any fraction less than one (1) share as a result of the consolidation of shares, the Company will sell all of such fractional shares together in accordance with Article 235 of the Companies Act, and the proceeds therefrom will be distributed to the former holders of such fractional shares in amounts proportional to the former holdings of said shareholders.

(6) Total Number of Authorized Shares as of the Effective Date of the Consolidation of Shares

As the total number of issued shares is expected to decrease through the consolidation of shares, the Company will decrease the total number of authorized shares with the same ratio as the share consolidation ratio (one tenth) to optimize it, as of the effective date of the consolidation of shares (October 1, 2017).

(7) Conditions for the Consolidation of Shares

This change is subject to the approval of proposals regarding "2. Consolidation of Shares" and "3. Partial Amendments to the Articles of Incorporation" at the Company's 111th Ordinary General Meeting of Shareholders to be held on June 29, 2017.

3. Partial Amendments to the Articles of Incorporation

(1) Reason for the Partial Amendments

The Company will amend Article 5 (Total Number of Authorized Shares) of the current Articles of Incorporation in order to execute the abovementioned consolidation of shares and to decrease the total number of authorized shares in the proportion of the share consolidation ratio, and will amend Article 7 (Number of Shares Constituting One Share Unit) of the current Articles of Incorporation in order to change the number of shares constituting one share unit from 1,000 shares to 100 shares.

For these amendments, the Company will establish a supplementary provision in the Articles of Incorporation stating that the new provisions become effective on October 1, 2017, the effective date of the consolidation of shares, and said supplementary provision will be deleted on the same date.

(2) Details of the Amendments

The details of the amendments are as follows:

Comparison Table of Excerpts from Current Articles of Incorporation and Proposed Amendments

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
Chapter 2 Shares (Total Number of Authorized Shares) Article 5 The total number of authorized shares to be issued by the Company shall be <u>3,988,000,000</u> shares. (Number of Shares Constituting One Share Unit) Article 7 The number of shares constituting each share unit shall be <u>1,000 shares</u> . <u>(Newly established)</u>	Chapter 2 Shares (Total Number of Authorized Shares) Article 5 The total number of authorized shares to be issued by the Company shall be <u>398,800,000</u> shares. (Number of Shares Constituting One Share Unit) Article 7 The number of shares constituting each share unit shall be <u>100 shares</u> . <u>Supplementary Provision</u> <u>(Effective Date of the Partial Amendments to the Articles of Incorporation)</u> <u>Amendments to Articles 5 and 7 shall come into effect on October 1, 2017, the effective date of the consolidation of shares subject to resolution at the 111th Ordinary General Meeting of Shareholders held on June 29, 2017.</u> <u>This supplementary provision shall be deleted on the effective date of the said consolidation of shares.</u>

(3) Conditions for the Partial Amendments to the Articles of Incorporation

These amendments are subject to the approval of proposals regarding “2. Consolidation of Shares” and “3. Partial Amendments to the Articles of Incorporation” at the Company’s 111th Ordinary General Meeting of Shareholders to be held on June 29, 2017.

4. Schedule

Date of the resolution at the Board of Directors meeting	May 9, 2017
Date of the Ordinary General Meeting of Shareholders	June 29, 2017 (scheduled)
Effective date of the consolidation of shares	October 1, 2017 (scheduled)
Effective date of the change to the number of shares constituting one share unit	October 1, 2017 (scheduled)
Effective date of the change to the total number of authorized shares	October 1, 2017 (scheduled)

* While the effective date of the changes to the number of shares constituting one share unit and the consolidation of shares will be October 1, 2017 as set forth above, because of book-entry transfer procedures following trades of shares, the trading unit on the Tokyo Stock Exchange will be changed from 1,000 shares to 100 shares on September 27, 2017.

End

(Attached Materials)

(Reference) Q&A Regarding Changes to the Number of Shares Constituting One Share Unit and Consolidation of Shares

Reference

Q&A Regarding Changes to the Number of Shares **Constituting One Share Unit and Consolidation of Shares**

Q1. What is the purpose of the changes to the number of shares constituting one share unit and the consolidation of shares?

A1. Domestic stock exchanges have been pushing to transition to a single trading unit (the number of shares constituting one share unit) of 100 shares for all domestically listed companies for the purpose of improving the convenience of market users including investors as per the “Action Plan for Consolidating Trading Units.” The Company respects the intent of these efforts and has decided to change the number of shares constituting one share unit from 1,000 shares to 100 shares as of October 1, 2017.

On the other hand, in changing the number of shares constituting one share unit from 1,000 shares to 100 shares, the Company has decided to consolidate every ten (10) shares of its stock into one (1) share in order to keep the share price at the current level and not to change the number of voting rights held by the shareholders after the change to the number of shares constituting one share unit.

Q2. What is the specific schedule going forward?

A2. The summary of planned schedule for the changes to the number of shares constituting one share unit and the consolidation of shares is as follows.

Early June, 2017 (scheduled)	Board of Directors meeting (for resolution to convene a general meeting of shareholders)
June 29, 2017 (scheduled)	Ordinary General Meeting of Shareholders
September 27, 2017*	The trading unit of the Company’s shares changed to 100 shares
October 1, 2017*	Effective date of the changes to the number of shares constituting one share unit and the consolidation of shares
Late October, 2017*	Share consolidation allotment notices to be sent to shareholders

* These events are scheduled to take place if the proposals regarding the consolidation of shares are approved at the Ordinary General Meeting of Shareholders scheduled to be held on June 29, 2017.

Q3. Will there be any impact on asset value because of the consolidation of shares?

A3. Since the Company's assets and capital remain unchanged before and after the consolidation of shares, theoretically, there is no variation in the asset value of shares owned by shareholders unless due to other factors, such as changes in the stock market. This is because 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 after the consolidation of shares.

[Example of the number of shares and asset value between before and after the share consolidation (disregarding other factors such as changes in the stock market)]

Before Consolidation of Shares			⇒	After Consolidation of Shares		
Number of Shares	Net Asset Value per Share	Net Asset Value per Share Unit		Number of Shares	Net Asset Value per Share	Net Asset Value per Share Unit
1,000 shares	¥500	¥500,000		100 shares	¥5,000	¥500,000

Q4. What will happen to the number of shares and voting rights held by shareholders?

A4. [Number of shares held]

The number of shares held by each shareholder after the consolidation of shares will become such number that is calculated by multiplying the number of shares listed on the latest shareholder registry as of September 30, 2017 (September 29, 2017 substantially) by one tenth (any fraction less than one will be rounded down).

The number of shares recorded in shareholders' accounts held at securities companies, etc. will be changed to the number after the consolidation of shares as of October 1, 2017. Also, if there is any fraction less than one as a result of the consolidation of shares, the Company will sell such fractional shares in a block and distribute the proceeds to the former holders of such fractional shares in amounts proportional to the former holdings of said shareholders. (For specific schedule thereof, see Q2.)

[Number of voting rights]

While the number of shares constituting one share unit will change from 1,000 to 100, the number of shares held by each shareholder is reduced to one tenth by the consolidation of shares, and thus the number of voting rights held by each shareholder will remain unchanged.

Specifically, the number of shares and voting rights held by shareholders before and after the changes to the number of shares constituting one share unit and the consolidation of shares are as follows.

	Before Effective Date			After Effective Date		
	Number of Shares Held	Number of Voting Rights		Number of Shares Held	Number of Voting Rights	Equivalent of Fractional Shares
Example 1	2,000 shares	2	⇒	200 shares	2	None
Example 2	1,200 shares	1		120 shares	1	None
Example 3	555 shares	None		55 shares	None	0.5 share
Example 4	7 shares	None		None	None	0.7 share

- In Examples 2 and 3, since there are shares less than one share unit (20 shares in Example 2 and 55 shares in Example 3 after the effective date), shareholders may apply either to purchase additional shares in order to expand their holdings to at least one share unit or to sell their holdings to the Company in the same manner as before.
- With respect to the equivalent of fractional shares created in Examples 3 and 4 (0.5 share in Example 3 and 0.7 share in Example 4), the Company will sell all such fractional shares in a block and distribute the proceeds to the former holders of such fractional shares in amounts proportional to the former holdings of said shareholders.
- The shareholder in Example 4 will hold no shares after the consolidation of shares, causing said shareholder to lose his/her status as a shareholder.

If shareholders have accounts with multiple securities companies, the procedures for the consolidation of shares will be implemented in principle for the Company's outstanding shares recorded in transfer account books of each securities company. Please contact your securities company for details.

Q5. Do shareholders need to carry out any procedures?

A5. There is no specific need for any advance procedures.

Q6. Is there a way to avoid the creation of fractional shares?

A6. By requesting purchase or sale of shares constituting less than one share unit prior to the consolidation of shares coming into effect, you can avoid having fractional shares.

Your securities company will take requests for purchase or sale of shares constituting less than one share unit. For shareholders without an account with a securities company, please contact the administrator of shareholder registry mentioned below.

[Contact for inquiries]

If you have any inquiries about the changes to the number of shares constituting one share unit and the consolidation of shares, please contact the securities company with which you have an account or the following administrator of shareholder registry.

[Administrator of shareholder registry]

Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division

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Operating Hours: From 9:00 a.m. to 5:00 p.m. JST (excluding Saturdays, Sundays and National Holidays)

End