

FOR IMMEDIATE RELEASE

(English translation from the original Japanese-language document)

May 10, 2016

To Whom It May Concern:

Company Name: Nichirei Corporation
Representative: Kunio Otani, Representative Director and President
Code Number: 2871
Stock Listing: Tokyo Stock Exchange (First Sections)
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**Notice of Change of Number of Shares in Share Unit, Share Consolidation, and Partial
Amendment of Articles of Incorporation**

This is to notify you that in a board of directors meeting held today, the Company passed resolutions regarding a change in the number of shares in a share unit, and partial amendment of the Articles of Incorporation, and in the same board of directors meeting, the Company passed a resolution to put a share consolidation on the agenda at the 98th Annual General Shareholders Meeting (“Annual General Shareholders Meeting”) planned to be held on June 22, 2016.

1. Change in Number of Shares in Share Unit

(1) Reason for change

The Japanese Stock Exchanges have published an “Action Plan for Consolidating Trading Units” and have decided to consolidate the trading units for common shares of domestic companies listed on Japanese Stock Exchanges to 100 shares. As a company listed on the Tokyo Stock Exchange, the Company will adhere to this plan and has decided to change the number of shares in a share unit to 100 shares (“Change of Number of Shares in Share Unit”).

(2) Particulars of change

On October 1, 2016, the number of shares in a share unit of the Company’s common shares will be changed from 1,000 shares to 100 shares.

(3) Conditions for amendment

This change is subject to approval of an agenda item relating to “2. Share Consolidation” set forth below at the Annual General Shareholders Meeting.

2. Share Consolidation

(1) Purpose of consolidation

As set forth above in “1. Change in Number of Shares in Share Unit”, the number of common shares in a share unit will be changed to 100 shares, and for the purpose of adjusting

investment units to appropriate levels while taking medium- to long-term share price trends into consideration, the Company has decided to carry out a share consolidation (consolidation of two shares into one share) (“Share Consolidation”). The Company will change its total number of authorized shares according to the share consolidation ratio from the current 720 million shares to 360 million shares on October 1, 2016. Further, in conjunction with the Change in Number of Shares in Share Unit and Share Consolidation, the investment unit (amount) for trades of those shares will become one-fifth of the previous amount.

(2) Particulars of consolidation

- Class of shares to be consolidated: Common shares
- Method and ratio of consolidation: On October 1, 2016, the number of shares owned by shareholders recorded in the final shareholder registry on September 30, 2016 will be consolidated at a ratio of two shares to one share.
- Decrease in number of shares through consolidation

The total number of issued shares prior to consolidation (as of March 31, 2016)	295,851,065 shares
Decrease in number of shares through consolidation	147,925,533 shares
The total number of issued shares after consolidation	147,925,532 shares

(Note) The “decrease in number of shares through consolidation” and the “total number of issued shares after consolidation” are theoretical numbers calculated on the basis of the total number of issued shares prior to consolidation and the share consolidation ratio. The Company has not issued stock acquisition rights.

(3) Decrease in number of shareholders through consolidation

Shareholder composition based on the shareholder registry as of March 31, 2016 is as follows.

	Number of shareholders (ratio)	Number of shares held (ratio)
All shareholders	18,833 shareholders (100.00%)	295,851,065 shares (100.00%)
Less than 2 shares	213 shareholders (1.13%)	213 shares (0.00%)
2 or more shares	18,620 shareholders (98.87%)	295,850,852 shares (100.00%)

If the share consolidation is carried out on the basis of the shareholder composition set forth above, 213 shareholders (holding 213 shares) who hold less than 2 shares will lose status as shareholders. However, in accordance with Article 194, Paragraph 1 of the Companies Act and the Articles of Incorporation, shareholders holding less than one share unit are entitled to request that the Company sell to the shareholders such number of shares which, together with the number of shares less than one unit held by such shareholders, will constitute one share unit. Further, pursuant to Article 192, Paragraph 1 of the Companies Act, those shareholders may also request that the Company purchase their shares representing less than one share unit; please inquire with your securities company or the administrator of the Company’s shareholder registry.

(4) Handling of fractional shares

If any fractional shares are produced from the Share Consolidation, pursuant to the Companies Act, such shares will be sold or purchased in bulk, and the proceeds of those will be distributed to shareholders holding fractional shares, in proportion to their respective fractions.

(5) Conditions for consolidation

The Share Consolidation will become effective on October 1, 2016 subject to approval of an agenda item relating to the Share Consolidation at the Annual General Shareholders Meeting.

3. Partial Amendment of Articles of Incorporation

(1) Purpose of amendment of Articles of Incorporation

The partial amendment of the Articles of Incorporation is in conjunction with “1. Change of Number of Shares in Share Unit” and “2. Share Consolidation” above.

In accordance with Article 182, Paragraph 2 and Article 195, Paragraph 1 of the Companies Act, the partial amendment of the Articles of Incorporation will be carried out without being put on such agenda items at a general shareholders meeting.

(2) Particulars of amendment of Articles of Incorporation

Subject to approval of an agenda item relating to “2. Share Consolidation” above at the Annual General Shareholders Meeting, the Company’s Articles of Incorporation will be amended as follows effective as of October 1, 2016.

(The underlined text shows the amended sections)

Current Articles of Incorporation	Proposed amendment
Article 6: Total Number of Authorized Shares The Company’s total number of authorized shares shall be <u>720 million</u> shares.	Article 6: Total Number of Authorized Shares The Company’s total number of authorized shares shall be <u>360 million</u> shares.
Article 8: Number of Shares in Share Unit The number of shares in a share unit of the Company shall be <u>1,000</u> shares.	Article 8: Number of Shares in Share Unit The number of shares in a share unit of the Company shall be <u>100</u> shares.

4. Schedule for Change in Number of Shares in Share Unit, Share Consolidation, and Partial Amendment of Articles of Incorporation (Planned)

Date of board of directors resolution	May 10, 2016
Date of annual general shareholders meeting resolution	June 22, 2016
Last trading date for units of 1,000 shares	September 27, 2016
First trading date for units of 100 shares	September 28, 2016
Effective date of change in number of shares in share unit	October 1, 2016
Effective date of share consolidation	October 1, 2016
Effective date of partial amendment of the Articles of Incorporation	October 1, 2016
Payment of proceeds from disposal of fractional shares	Early December 2016

(Note) As set forth above, while the effective date of the change in number of shares in a share unit and share consolidation will be October 1, 2016, 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 28, 2016.

End

Attached Materials:

(Reference) Q&A Regarding Change in Number of Shares in Share Unit and Share Consolidation

(Reference) Q&A Regarding Change in Number of Shares in Share Unit and Share Consolidation

Q1. What are the change in number of shares in a share unit and share consolidation?

The change in number of shares in a share unit means changing the number of shares constituting one voting unit at general shareholders meetings and the number of shares constituting one trading unit on securities exchanges. At this time, the Company will change the number of shares in a share unit from 1,000 shares to 100 shares.

The share consolidation means consolidating multiple shares, and thus decreasing the number of shares. At this time, the Company will consolidate every two shares into one share.

Q2. What is the purpose of the change in number of shares in a share unit and the share consolidation?

The Japanese Stock Exchanges have published an “Action Plan for Consolidating Trading Units” and have decided to consolidate the trading unit for common shares of domestic companies listed on Japanese stock exchanges to 100 shares. As a company listed on the Tokyo Stock Exchange, the Company will adhere to this plan and has decided to change the number of shares in a share unit from 1,000 to 100 shares.

In conjunction therewith, for the purpose of adjusting investment units to appropriate levels while taking medium- to long-term share price trends into consideration, the Company has decided to carry out a share consolidation.

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

The number of owned shares of shareholders after the share consolidation will be one-half the number of owned shares as registered in the final shareholder registry on September 30, 2016 (fractions less than one share will be discarded). Voting rights will be one vote per 100 shares held after the consolidation.

Specifically, the number of owned shares and number of voting rights before and after the effective date of the change in number of shares in share unit and share consolidation (October 1, 2016 (planned)) will be as follows.

	Before taking effect		After taking effect		
	Number of owned shares	Number of voting rights	Number of owned shares	Number of voting rights	Fractional shares
Example 1	1,000 shares	1	500 shares	5	None
Example 2	3,333 shares	3	1,666 shares	16	0.5 shares
Example 3	250 shares	None	125 shares	1	None
Example 4	59 shares	None	29 shares	None	0.5 shares
Example 5	2 shares	None	1 share	None	None
Example 6	1 share	None	None	None	0.5 shares

- There are no specific procedures for shareholders falling under Example 1.

- With respect to shares less than one unit produced in Example 2, Example 3, Example 4, and Example 5 (66 shares in Example 2, 25 shares in Example 3, 29 shares in Example 4, and 1 share in Example 5), shareholders may use the systems for “sale of shares less than one share unit” or “purchase of shares to complete share unit” upon their request.
- Please refer to Q4 with respect to the handling of fractional shares produced in Example 2, Example 4, and Example 6.
- Shares of shareholders holding one share prior to the changes coming into effect (Example 6) will all become fractional shares through the share consolidation, and those shareholders will cease to own shares of the Company.

Before the share consolidation comes into effect, it is possible to avoid disposal of fractional shares by using the systems for “sale of shares less than one share unit” or “purchase of shares to complete share unit”. For the specific procedures, please inquire with your securities company or the administrator of the Company’s shareholder registry.

Q4. How will fractional shares after the share consolidation be handled?

The Company will sell all fractional shares, or purchase those shares as treasury shares, in bulk, and distribute the proceeds to shareholders holding fractional shares, in proportion to their respective fractions.

The Company plans to give notice of the amounts of and procedures for payment from the Company in December 2016.

As set forth in Q3, the shares owned by shareholders holding one share (Q3, Example 6) before the changes come into effect will all become fractional shares through the share consolidation, and those shareholders will cease to own those shares.

Q5. Will there be any impact on asset value because of the decrease in the number of owned shares through the share consolidation?

The number of shares owned by shareholders will be halved through the share consolidation, but since there will be no change to the assets or capital of the Company before and after the share consolidation, the asset value per one share will double. Accordingly, aside from changes in share market circumstances and other factors, the share consolidation will have no impact on the asset value of shareholders’ shares in the Company. Theoretically, the share price after the share consolidation will be double the share price prior to the share consolidation.

Q6. Will there be any impact on dividends received because of the decrease in the number of owned shares through the share consolidation?

The number of shares owned by shareholders will be halved through the share consolidation, but after the share consolidation comes into effect, it is planned to set the dividend amount per share with taking into account the share consolidation ratio, and for this reason, aside from fluctuation in business performance and other factors, the share consolidation will have no impact on the total amount of dividends that shareholders will receive. However, dividends will not be made for

fractional shares produced through the share consolidation.

Q7. What is the specific schedule going forward?

The tentative schedule is as follows.

June 22, 2016	Date of annual general shareholders meeting resolution
September 27, 2016	Last trading date for units of 1,000 shares
September 28, 2016	First trading date for units of 100 shares
October 1, 2016	Effective date of change in number of shares in unit, share consolidation, and change of total number of authorized shares.
Early December 2016	Payment of proceeds from disposal of fractional shares.

Q8. Do shareholders need to carry out any procedures?

There is no specific need for any advance procedures.

As set forth above in Q3 and Q4, the owned shares less than two shares will become fractional shares through the share consolidation. Fractional shares will be handled as set forth in Q4, but shares of shareholders holding one share prior to the changes coming into effect will all become fractional shares through the share consolidation, and those shareholders will cease to own shares of the Company. Before the changes come into effect, it is possible to avoid disposal of fractional shares by using the systems for “sale of shares less than one share unit” or “purchase of shares to complete share unit”.

Inquiries

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