

May 09, 2017

To whom it may concern:

Company name: OSAKA SODA CO, LTD.
Securities code: 4046 First Section, Tokyo Stock Exchange
Representative: Tamotsu Sato
Representative Director, Chief Executive Officer
For inquiry: Takuya Kajino
General Manager, Administration Division
Tel: +81-(0)6-6110-1560

Changes in the Number of Shares per Share Unit, Share Consolidation, and Partial Amendment to the Articles of Incorporation

We are pleased to announce that the Board of Directors of OSAKA SODA CO, LTD. (Representative Director, Chief Executive Officer: Tamotsu Sato) adopted a resolution to change in the number of shares per share unit, to amend part of its Articles of Incorporation, and submit a proposal for the share consolidation to the 162nd Ordinary Meeting of Shareholders to be held on June 29, 2017 (“the Ordinary Meeting of Shareholders”) as stated below.

Based on the “Action Plan for Consolidating Trading Units”, the Japanese Stock Exchange seeks to standardize the trading units for common shares issued by all listed domestic corporation at 100 shares by October 1, 2018. As a corporation listed on the Tokyo Stock Exchange, we respects the purport of this plan and will change its number of shares per share unit from 1,000 shares to 100 shares. We also implement the share consolidation at the ratio of 5 to 1 in order to maintain the appropriate level of trading unit considering the volatility of share price in the mid-and long term.

1. Change of the number of shares in share unit

(1) Reason for change

To comply with the “Action Plan for Consolidating Trading Units” as stated above

(2) Details of change

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

(3) Effective date

October 1, 2017

(4) Conditions

The change in the number of shares per share unit is subject to approval of the proposal concerning the “2. Share Consolidation” in the following section at the Ordinary Meeting of Shareholders.

2. Share consolidation

(1) Details of share consolidation

(i) Class of shares: Common shares

(ii) Ratio of consolidation

On October 1, 2017, the shares held by shareholders recorded in the latest register of shareholders as of September 30, 2017 will be consolidated at the ratio of five (5) to one (1) share.

(iii) Reduction of the number of shares

Number of outstanding shares prior to share consolidation (as of March 31,2017)	111,773,837 shares
Number of shares reduced by share consolidation	89,419,070 shares
Number of outstanding shares after share consolidation	22,354,767 shares

Note: Those numbers above are theoretical value on the basis of the number of outstanding shares and the share consolidation ratio prior to share consolidation.

(iv) Total number of authorized shares on the effective date

Total number of authorized shares prior to the effective date	300,000,000 shares
Total number of authorized shares after the effective date	60,000,000 shares

(2) Number of shareholders reduced by share consolidation

Following is the shareholding structure listed in the register of shareholders as of March 31, 2017.

	Number of shareholders	(%)	Number of shares held	(%)
Total	5,450	(100.00%)	111,773,837 shares	(100.00%)
Less than 5	348	(6.39%)	513 shares	(0.00%)
5 or more	5,102	(93.61%)	111,773,324 shares	(100.00%)

Shareholders should note that, upon completion of share consolidation based on the above shareholding structure, 348 shareholders who hold less than 5 shares (the total number of shares held by those shareholders is 513) will lose their status as shareholders and will be entitled to use the buyback or additional purchase program of fractional unit shares prior to share consolidation. Please contact your servicing securities companies or our company's shareholders register administrator regarding this procedures.

(3) Fractional unit shares

We sell all fractional unit shares arising from the implementation of stock consolidation in accordance with Companies Act and distribute the proceeds to shareholders who hold less than one full share according to the proportion of fractional unit shares that they own.

(4) The 5th Unsecured Convertible Bond Type Bonds with Stock Acquisition Rights

	Conversion price before adjustment	Conversion price after adjustment
OSAKA SODA CO., LTD. The 5th Unsecured Convertible Bond Type Bonds with Stock Acquisition Rights (Redemption request right before maturity and Subject to a Limited Inter-Bond Pari Passu Clause)	¥457.80	¥2,289

(5) Conditions

The proposed share consolidation is subject to the approval at the Ordinary Meeting of Shareholders.

3. Amendments of articles of incorporation

(1) Reason for change

The board of directors resolves a partial amendment of the Articles of Incorporation according to “1. Change of the number of shares in share unit” and “2. Share consolidation” above. This is to be executed without the approval at the Ordinary Meeting of Shareholders pursuant to clause 2, Article 182 and clause 1, Article 195 of the Companies Act.

(2) Details of amendments

Current Articles of Incorporation	Proposed amendments
Article 5 (Total Number of Authorized Shares) The total number of shares, which the Company has authority to issue, shall be <u>three hundred million (300,000,000)</u> .	Article 5 (Total Number of Authorized Shares) The total number of shares, which the Company has authority to issue, shall be <u>sixty million (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.
(Newly established)	<u>Supplementary Provisions</u> <u>The amendment of Article 5 and Article 6 shall take effect on October 10, 2017. This Supplementary Provision shall be deleted as of the effective date of the amendment of Article 5 and Article 6.</u>

(3) Conditions

The amendment of articles of incorporation is subject to the approval of the proposal concerning the “2. Share Consolidation” at Ordinary Meeting of Shareholders and takes effect on October 1, 2017.

4. Schedule

Resolution at the Board of Directors Meeting	May 9, 2017
Resolution at the Ordinary Meeting of Shareholders	June 29, 2017 (scheduled)
Effective date of change in the number of shares per share unit, share consolidation	October 1, 2017 (scheduled)
Effective date of partial amendment of Articles of Incorporation	October 1, 2017 (scheduled)

(Note) In spite of the above, the change of share trading unit from 1,000 shares to 100 shares on the Tokyo Stock Exchange will be become on September 27, 2017 due to the practical transfer procedures after stock trading.

Q&A: Change in the Number of Shares per Share Unit and Share Consolidation

Q1.	What is a change in the share unit number? What is a share consolidation?
A1.	A share consolidation is a corporate action in which a company reduces the number of shares it has outstanding by a set multiple. We execute the share consolidation 1-for-5.

Q2.	What is the purpose of the change in the share unit number and share consolidation?
A2.	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 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, we decided to change the share unit number from 1,000 share to 100 shares as of October 1, 2017.

Q3.	How will the number of shares and voting rights of shareholders be affected?																																									
A3.	<p>The number of shares held after the share consolidation will be the number of obtained by multiplying the number of shares recorded in the latest shareholder register as of the end of September 2017 by one-fifth (rounded down to the nearest whole share).</p> <p>The number of voting rights will be one (1) per 100 shares held after the share consolidation.</p> <p>The details are as follows.</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Before effective date</th> <th colspan="3">After effective date</th> </tr> <tr> <th>Number of shares held</th> <th>Number of voting rights</th> <th>Number of shares held</th> <th>Number of voting rights</th> <th>Fractional shares</th> </tr> </thead> <tbody> <tr> <td>Example 1</td> <td>1,652</td> <td>1</td> <td>330</td> <td>3</td> <td>0.4</td> </tr> <tr> <td>Example 2</td> <td>1,000</td> <td>1</td> <td>200</td> <td>2</td> <td>None</td> </tr> <tr> <td>Example 3</td> <td>566</td> <td>None</td> <td>113</td> <td>1</td> <td>0.2</td> </tr> <tr> <td>Example 4</td> <td>497</td> <td>None</td> <td>99</td> <td>None</td> <td>0.4</td> </tr> <tr> <td>Example 5</td> <td>4</td> <td>None</td> <td>None</td> <td>None</td> <td>0.8</td> </tr> </tbody> </table> <p>We sell all fractional unit shares arising from the implementation of share consolidation and distribute the proceeds to shareholders who hold less than one full share according to the proportion of fractional unit shares that they own.</p> <p>The shareholders will be entitled to use the buyback or additional purchase program of fractional unit shares prior to share consolidation. Please contact your servicing securities companies or our company’s shareholders register administrator regarding this procedures.</p> <p>Shareholders should note that, upon completion of share consolidation, the shareholders who hold less than 5 shares will lose their status as shareholders.</p>		Before effective date		After effective date			Number of shares held	Number of voting rights	Number of shares held	Number of voting rights	Fractional shares	Example 1	1,652	1	330	3	0.4	Example 2	1,000	1	200	2	None	Example 3	566	None	113	1	0.2	Example 4	497	None	99	None	0.4	Example 5	4	None	None	None	0.8
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Q4.	A share consolidation reduces the number of shares held. Will it affect the value of our investment?
A4.	Our company's assets and capital remain unchanged upon completion of the share consolidation aside from change of market conditions and other reasons. Although the number of shares held by shareholders will be one-for-five, a share consolidation does not change the total value of shareholder's investments and every five pre-consolidation shares held by shareholders will result in the receipt of one post-consolidation share, which will be priced five times higher than the net asset value of pre-consolidation shares.

Q5.	Will a share consolidation affect the dividend to be received?
A5.	Although the number of shares held by shareholders will be one-for-five upon completion of the share consolidation, our company maintains the dividend at the same proportionate per share level following the share consolidation, so that the shareholder's total cash dividend amount for our company's shares would be the same. However, the stockholders did not receive fractional shares in connection with share consolidation. The interim dividend for fiscal 2017 will be implemented on the basis of pre-consolidation shares.

Q6.	What should I do with the shares of OSAKA SODA CO., LTD. that I currently own?
A6.	No special procedures is required. As we noted above Q3, the shareholders who hold less than 5 shares will lose their status as shareholders. However, we sell all fractional unit shares arising from the implementation of share consolidation and distribute the proceeds to the shareholders who hold less than one full share according to the proportion of fractional unit shares.

Q7.	Will the shareholders be entitled to use the buyback or additional purchase program of fractional unit shares after the share consolidation?
A7.	The shareholders who hold fractional unit shares will be entitled to use the buyback or additional purchase program of fractional unit shares even after the share consolidation.

Q8.	What is the schedule going forward?	
A8.	The following is the schedule for the change in the number of shares per share unit and the share consolidation.	
	May 9, 2017	Resolution at the Board of Directors Meeting
	June 29, 2017	Resolution at the Ordinary Meeting of Shareholders
	September 26, 2017	Final day of trading by 1,000 share unit
	September 27, 2017	First day of trading by 100 share unit
	October 1, 2017	Effective date of the change in the number of shares per share unit and the share consolidation
	Late October, 2017	Selling the fractional shares on the market or acquiring from the market
	Mid-November, 2017	Share consolidation allotment notices sent to shareholders
	Early December, 2017	Distribute the proceeds back to shareholders received from the sales of fractional shares

For further information contact

If you have any questions regarding the change in the share unit number and the share consolidation, please contact your securities companies or the following administrator of shareholder register.

Administrator of shareholder register	Mitsubishi UFJ Trust and Banking Corporation
Contact information	6-3 Fushimicho 3-chome, Chuo-ku, Osaka 541-8502 Osaka Securities Agency Division Mitsubishi UFJ Trust and Banking Corporation Toll Free: 0120-094-777 (Only for domestic) Weekdays: 9:00a.m. – 5:00p.m. Weekends and Holidays: Closed.