



May 23, 2018  
SMS CO., LTD.  
(Company Code: 2175, TSE 1st Section)  
<https://www.bm-sms.co.jp/eng/>

<PRESS RELEASE>

**Notice regarding Stock Split and  
Partial Amendment to the Articles of Incorporation**

SMS CO., LTD. (the "Company") hereby announces that, on May 23, 2018, its Board of Directors has resolved to conduct a stock split and partially amend the Articles of Incorporation as follows.

**1. Purpose of the stock split**

The purpose of the stock split is to expand the investor base by reducing the amount per trading unit of investment in SMS shares.

**2. Overview of the stock split**

**2.1 Method of the stock split**

The record date of the stock split will be Saturday, June 30, 2018 (as this day falls on a non-business day of the shareholder registry administrator, the practical date will be Friday, June 29, 2018). Each share of common stock owned by shareholders recorded on the final shareholder registry as of the record date will be split into two shares.

**2.2 Number of shares to be increased by the stock split**

- (1) Total number of shares issued before stock split: 43,421,000 shares
- (2) Number of shares to be increased by this stock split: 43,421,000 shares
- (3) Total number of shares issued after stock split: 86,842,000 shares
- (4) Total number of authorized shares after stock split: 288,000,000 shares

Note: The number of issued shares above is as of May 23, 2018 and could change due to the exercise of stock acquisition rights.

### 2.3 Schedule of the stock split

- (1) Public notice of the record date: Wednesday, June 13, 2018
- (2) Record date: Saturday, June 30, 2018
- (3) Effective date: Sunday, July 1, 2018
- (4) Date of recording increase: Monday, July 2, 2018

### 2.4 Adjustment of the exercise price of stock acquisition rights

In relation to the announced stock split, the exercise price of stock acquisition rights shall be adjusted as follows on the record date.

Stock acquisition rights	Exercise price before adjustment (JPY)	Exercise price after adjustment (JPY)
7 <sup>th</sup> Stock acquisition rights	213	107
8 <sup>th</sup> Stock acquisition rights	468	234
9 <sup>th</sup> Stock acquisition rights	743	372
10 <sup>th</sup> Stock acquisition rights	1,471	736
11 <sup>th</sup> Stock acquisition rights	2,409	1,205
12 <sup>th</sup> Stock acquisition rights	2,380	1,190
13 <sup>th</sup> Stock acquisition rights	3,055	1,528

## 3. Partial amendment to the Articles of Incorporation

### 3.1 Reason for the amendment

In conjunction with this stock split, pursuant to the Article 184, Paragraph 2 of the Companies Act, Article 5 of SMS's Articles of Incorporation will be partially amended effective Sunday, July 1, 2018 to increase the total number of authorized shares.

### 3.2 Details of the amendment

Before the amendment	After the amendment
(Total Number of Authorized Shares) Article 5. The total number of shares authorized to be issued by the Company shall be <u>144,000,000</u> .	(Total Number of Authorized Shares) Article 5. The total number of shares authorized to be issued by the Company shall be <u>288,000,000</u> .

### 3.3 Schedule of the amendment

Effective date for the amendment: Sunday, July 1, 2018

## 4. Other

No changes will be made to the amount of stated capital as a result of this stock split.