

September 22nd, 2023

Junya Suzuki

Chairman of the Board, President and CEO

Nissha Co., Ltd.

Stock Listings: Tokyo Stock Exchanges, Prime Market 7915

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Notice of Absorption-type Merger with a Consolidated Subsidiary (Simplified Merger / Short Form Merger)

Nissha Co., Ltd. (“the Company”) hereby announces that at a meeting of its Board of Directors held today, September 22, 2023, the Company resolved to absorb and merge with M crossing Co., Ltd., a consolidated subsidiary of the Company, on January 1, 2024.

Some disclosure items and details have been omitted from this press release because the Merger is a simplified absorption-type merger of a consolidated subsidiary.

1. Purpose of the Merger

M crossing Co., Ltd. is engaged in the management of an advanced material library and also provides consulting and other services as a material specialist. The Company will carry out the Merger to consolidate management resources and streamline management.

2. Summary of the Merger

(1) Schedule of the merger

Date of resolution of the Board of Directors to approve the merger	September 22, 2023
Date of execution of the merger agreement	September 22, 2023
Effective date of the merger	January 1, 2024 (tentative)

Note: For the Company, the Merger is a simplified merger provided for in Article 796, Paragraph 2 of the Companies Act, while for M crossing Co., Ltd., the Merger is a short-form merger provided for in Article 784, Paragraph 1 of the Companies Act, and therefore, the Merger has been approved in both cases without obtaining approval at a General Meeting of Shareholders of either company.

(2) Method of the merger

The Merger will be an absorption-type merger under which the Company is the surviving corporation, and M crossing Co., Ltd. will be dissolved.

(3) Details of allocation relating to the merger

Since M crossing Co., Ltd., the dissolving company, is a wholly owned subsidiary of the Company, there will be no allotment of shares, no increase in capital, no merger grant, or any other consideration.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights in association with the merger

Not applicable.

3. Overview of the Companies Involved in the Merger

	Surviving Company	Dissolving Company
(1) Name	Nissha Co., Ltd.	M crossing Co., Ltd.
(2) Address	3 Mibu Hanai-cho, Nakagyo-ku, Kyoto	5-17-1 Roppongi, Minato-ku, Tokyo
(3) Name and title of representative	Junya Suzuki, Chairman of the Board, President and CEO	Kumiko Yoshikawa, Representative Director
(4) Business outline	Development of 3 core businesses, Industrial Materials, Devices and Medical Technologies, and other businesses, as well as promoting the development of new businesses	Operation of advanced material library and material consulting
(5) Capital	12,119 million yen	10 million yen
(6) Date established	December 28, 1946	June 4, 2013
(7) Number of shares issued	50,855,638	200
(8) Fiscal year end	December	December
(9) Major shareholders and shareholding ratio (as of June 30, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account): 11.20% Custody Bank of Japan, Ltd. (Trust Account): 8.66% Suzuki Kosan Co., Ltd.: 5.19%	Nissha Co., Ltd.: 100%

(10) Financial position and operating results for the most recent fiscal year	Nissha Co., Ltd. (consolidated: IFRS) Fiscal year ended December 2022		M crossing Co., Ltd. (unconsolidated: JGAAP) Fiscal year ended December 2022	
	Total equity	111,518 million yen	Net Assets	(614) million yen
Total assets	230,212 million yen	Total assets	50 million yen	
Equity per share attributable to owners of parent	2,257.47 yen	Net assets per share	(3,070,733.36) yen	
Net sales	193,963 million yen	Net sales	80 million yen	
Operating profit	9,520 million yen	Operating profit	(8) million yen	
Profit before tax	12,373 million yen	Ordinary profit	(11) million yen	
Profit attributable to owners of parent	10,140 million yen	Net income attributable to owners of parent	(10) million yen	
Basic earnings (loss) per share	203.65 yen	Net earnings per share	(54,114.71) yen	

Note: Although M Crossing Co., Ltd. is insolvent, the merger is scheduled to take place after the Company has waived all of the loans made to M Crossing Co. Ltd. prior to the Merger and the state of insolvency has been resolved.

Claims to be waived	Loans
Amounts of claims to be waived	Approx. 640 million yen
Date of waiving	December 31, 2023

4. Status After the Merger

There will be no changes to the Company's trade name, address, the title and name of the representative, main business activities, capital or fiscal calendar following the merger.

5. Future Outlook

The Merger is expected to have a negligible impact on the Company's consolidated results. If the need to revise the earnings forecast arises or any matter to be announced arises in the future, the Company will promptly disclose such information.

(Reference) Consolidated business forecast for the fiscal year ending December 31, 2023 (announced on August 8, 2023) and consolidated results for the fiscal year ended December 31, 2022

(Unit: million yen)

	Net sales	Operating profit	Profit before tax	Profit attributable to owners of parent
Business forecast for FY2023 (fiscal year ending December 2023)	174,500	2,500	3,100	2,000
Results for FY2022 (fiscal year ended December 2022)	193,963	9,520	12,373	10,140

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