

March 3, 2015

## **Announcement concerning the Acquisition of Hiest Corporation**

Nabtesco Corporation (hereinafter, “the Company;” headquarters: Chiyoda-ku, Tokyo; President & CEO: Kazuaki Kotani) hereby announces that on March 3, 2015 it concluded an agreement with TOSHIBA MACHINE CO., LTD. (headquarters: Numazu City, Shizuoka Prefecture; President & CEO: Yukio Imura) to acquire all the shares of Hiest Corporation (hereinafter “Hiest”), a wholly owned subsidiary of TOSHIBA MACHINE CO., LTD. manufacturing and selling hydraulic equipment.

### 1. Purpose of the acquisition

Nabtesco’s hydraulic equipment business unit Power Control Company manufactures and sells various types of hydraulic motors and control valves for construction machinery to customers across the world. The company advanced into Chinese market ahead of other companies, and since then it has been topping the travelling motor market for excavators in this area.

Meanwhile, Hiest Corporation, a manufacturer and a supplier of a broad range of hydraulic equipment including motors, piston pumps and control valves, has established a solid presence in the related sector.

Recently, while the construction machinery market, a major target of Power Control Company, has been facing a continuous stagnation mainly due to the slower growth of emerging economies, particularly China, the expanding application of hybridization and ICT-related technologies is creating new added-values. Against this background, it is expected that the focus of demand for hydraulic equipment will shift from individual components to integrated hydraulic systems for the overall motion control of construction machinery.

This merger has been strategically planned to unite the two companies, whose product ranges do not overlap. Taking advantage of this mutually complementary combination, the Company expects to greatly broaden the lineup of products for hydraulic equipment by acquiring Hiest Corporation. Also, the Company aims to increase the capability for hydraulic systems through combination of technologies possessed by the respective units, thereby expanding business through catering the increasingly diverse needs of customers.

## 2. Outline of Hiest Corporation

(1) Company name	Hiest Corporation	
(2) Address	4-29-1 Hibarigaoka, Zama-shi, Kanagawa, Japan	
(3) Representative	Masaki Ikuta, President	
(4) Business line	Development, manufacture, sales and related service of hydraulic equipment	
(5) Establishment	April 1, 2008 (spun off from TOSHIBA MACHINE CO., LTD. into an independent subsidiary for hydraulic equipment business)	
(6) Major shareholder (ownership ratio)	TOSHIBA MACHINE CO., LTD. (100%)	
	Year ended March 2013	Year ended March 2014
(7) Net sales	9,144 million yen	6,842 million yen
(8) Number of employees	117	119

## 3. Date of the acquisition

Date of concluding the share assignment agreement: March 3, 2015

Date of the acquisition: April 1, 2015

## 4. Impact on business performance

The acquisition of the shares of Hiest Corporation will be effective on April 1, 2015, therefore it does not affect the Company's business performance for the fiscal year ending March 31, 2015. In the event of any possible material impact on future performance, we will make a prompt announcement.