



29, January, 2016

To whom it may concern,

Company name: Nabtesco Corporation  
Representative: Kazuaki Kotani, Representative Director, President & CEO  
(Code: 6268, 1st Section of TSE)  
Contact: Toshihiro Matsumoto, General Manager, General Administration Dept.  
(Telephone: 03-5213-1133)

**Notice Regarding the Absorption-type Merger (Short Form Merger)  
of Subsidiary Hiest Corporation**

Nabtesco Corporation (hereinafter 'the Company') hereby announces that it passed a resolution at its Board of Directors' meeting held on January 29, 2016, to execute a merger by absorbing Hiest Corporation (hereinafter 'Hiest'), one of the Company's wholly owned subsidiaries.

In addition, since this merger pertains to the short-form absorption of a wholly owned subsidiary, some details of the information disclosed below have been omitted.

**1. Purpose of the Merger**

The Company acquired Hiest on April 1, 2015, aiming to further improve the product development ability and strengthen the capability for hydraulic systems through expansion of product lineups. The Company decided to fully absorb Hiest, in order to better enhance the efficiency of business management and accelerate synergy creation through integration with Power Control Company, which is responsible for hydraulic equipment business within the Company.

**2. Overview of the Merger**

(1) Schedule

Resolution regarding the merger at the Board of Directors' meeting: January 29, 2016

Signing of the merger agreement: January 29, 2016

Effective date of the merger: April 1, 2016 (scheduled)

Note: The merger will be carried out as a short form merger by the Company in accordance with the provisions of Article 796, Paragraph 2 of Japan's Companies Act.

Simultaneously, the merger will be performed by Hiest based on the stipulations for absorption-type mergers set out under Article 784, Paragraph 1 of the same act.

Therefore, no general meeting of shareholders is required to gain respective approval for the merger agreement.

(2) Method of the Merger

The Company, the surviving company, will absorb Hiest, which will be dissolved as a result of the merger.

In addition, due to Hiest's possession of excessive debts, ahead of this merger, the Company will remise part of the credits of Hiest, resolving the condition of excessive debts.

(3) Share Allocation in Accordance with the Merger

Not applicable, as Hiest is a wholly owned subsidiary of the Company.

(4) Treatment of Absorbed Company's Stock Acquisition Rights and Convertible Bonds with Stock Rights

Not applicable.

**3. Outline of Companies Involved in the Merger (As of December 31, 2015)**

1. Company name	Nabtesco Corporation (Surviving company)	Hiest Corporation (Absorbed company)
2. Location	7-9 Hirakawacho 2-chome, Chiyoda-ku, Tokyo, Japan	4-29-1 Hibarigaoka, Zama-shi, Kanagawa, Japan
3. Representative's name and title	Kazuaki Kotani, Representative Director and President	Takashi Shinke, Representative Director and President
4. Business line	Manufacture and sales of precision equipment, transport equipment, aircraft and hydraulic equipment and industrial equipment	Manufacture and sales of hydraulic equipment
5. Capital	10,000 million JPY	100 million JPY
6. Date of establishment	September, 2003	April, 2008

7. Numbers of shares outstanding	125,133,799	20,000
8. Fiscal year-end	December 31 (Changing fiscal year-end from the year ended December 31, 2015)	December 31 (Changing fiscal year-end from the year ended December 31, 2015)
9. Major shareholders and ownership ratio	<ul style="list-style-type: none"> <li>- BNP PARIBAS SEC SERVICES LUXEMBOURG/ JASDEC/ ABERDEEN GLOBAL CLIENT ASSETS 6.84%</li> <li>- Central Japan Railway Company 4.13%</li> <li>- Japan Trustee Services Bank, Ltd. (Trust Account) 4.04%</li> <li>- The Master Trust Bank of Japan, Ltd (Trust Account) 2.99%</li> <li>- RBC IST 15 PCT LENDING ACCOUNT- CLIENT ACCOUNT 2.84%</li> </ul>	Nabtesco Corporation 100%
10. Recent financial statements and business performance (the year ended March 31, 2015)		
Net assets	158,664 million JPY	191 million JPY
Total assets	245,992 million JPY	4,725 million JPY
Net assets per share	1,184.17 JPY	9,573.95 JPY
Net sales	219,657 million JPY	5,399 million JPY
Operating incomes (losses)	23,615 million JPY	(627) million JPY
Ordinary incomes (losses)	27,193 million JPY	(657) million JPY
Net incomes (losses)	17,746 million JPY	(539) million JPY
Net incomes (losses) per share	140.24 JPY	(26,963.76) JPY

Note: Recent financial statements and business performance (10.) of Nabtesco Corporation are consolidated results.

#### **4. The Status After the Merger**

Company name, location, representative's name and title, business line, capital, or fiscal year-end are not subject to change.

#### **5. Outlook**

The company expects the merger to have no material influence on its consolidated business performance, as it is an absorption-type merger of its wholly owned subsidiary.