

These documents have been translated from the Japanese originals for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail.



December 1, 2016

NIHON KOHDEN CORPORATION (6849)

Stock Exchange Listing: 1st section Tokyo Stock Exchange
Head Office: Tokyo
Representative: Hirokazu Ogino, President and COO
Contact: Takashi Seo, Operating Officer, General Manager, Corporate Strategy Dept.
Phone: +81 / 3-5996-8003

Notice of Absorption-Type Merger (Simplified, Short-Form) with 11 Consolidated Subsidiaries

Nihon Kohden today announced that a resolution concerning an absorption-type merger of its 11 wholly-owned consolidated subsidiaries was passed at the meeting of the Board of Directors held on December 1, 2016. This is a simplified merger of wholly-owned subsidiaries, and therefore, information disclosure is partially omitted.

1. Purpose of Merger

With the aim of further growth of Nihon Kohden group, the Company decided to absorb the following 11 wholly-owned consolidated domestic sales subsidiaries with the Company in order to improve group operation efficiency, enhance group management system, and improve customer service.

Nihon Kohden Hokkaido Corporation

Nihon Kohden Tohoku Corporation

Nihon Kohden Higashi Kanto Corporation

Nihon Kohden Kita Kanto Corporation

Nihon Kohden Tokyo Corporation

Nihon Kohden Minami Kanto Corporation

Nihon Kohden Chubu Corporation

Nihon Kohden Kansai Corporation

Nihon Kohden Chugoku Corporation

Nihon Kohden Shikoku Corporation

Nihon Kohden Kyushu Corporation

2. Outline of Merger

(1) Schedule

Date of the meeting of the Board of Directors	December 1, 2016
Date of conclusion of the merger agreement	February 1, 2017 (plan)
Effective date of the merger	April 1, 2017 (plan)

(Note) The merger is a simplified merger as provided in Paragraph 2, Article 796 of the Company Act for the Company, and a short form merger as provided in Paragraph 1, Article 784 of the Company Act for 11 consolidated subsidiaries; therefore, none of those companies will hold a shareholders' meeting to approve the merger agreement.

(2) Method

The method of the merger is an absorption-type merger with the Company as the surviving company, and the following consolidated subsidiaries will be dissolved.

Nihon Kohden Hokkaido Corporation
 Nihon Kohden Tohoku Corporation
 Nihon Kohden Higashi Kanto Corporation
 Nihon Kohden Kita Kanto Corporation
 Nihon Kohden Tokyo Corporation
 Nihon Kohden Minami Kanto Corporation
 Nihon Kohden Chubu Corporation
 Nihon Kohden Kansai Corporation
 Nihon Kohden Chugoku Corporation
 Nihon Kohden Shikoku Corporation
 Nihon Kohden Kyushu Corporation

(3) Details of allotment pertaining to Merger

There will be no allotment of shares, money or other assets as a result of the merger.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the dissolving companies

Not applicable.

3. Outline of the Merging Companies

Surviving Company (the Company)

(1) Name	NIHON KOHDEN CORPORATION (Surviving Company)
(2) Address	1-31-4 Nishiochiai, Shinjuku-ku, Tokyo
(3) Name and title of representative	Hirokazu Ogino, President and COO
(4) Type of business	Development, production, sales and maintenance services of medical electronic

	equipment	
(5) Capital Stock	¥7,544 million	
(6) Incorporated	August 7, 1951	
(7) Number of shares issued	89,730,980 (as of March 31, 2016)	
(8) Fiscal year end	March 31	
(9) Major shareholders and shareholders ratio (as of September 30, 2016)	State Street Bank and Trust Company 505223	10.35%
	The Master Trust Bank of Japan, Ltd. (trust account)	6.67%
	STATE STREET BANK AND TRUST, BOSTON AS TRUSTEE FOR MAWER INVESTMENT MANAGEMENT LTD.	5.31%
	Saitama Resona Bank, Ltd.	4.67%
	Japan Trustee Service Bank, Ltd. (trust account)	3.72%
	Japan Trustee Service Bank, Ltd. (trust account9)	2.93%
	RBC IST 15 PCT LENDING ACCOUNT - CLIENT ACCOUNT	2.82%
	Fujitsu Ltd.	2.07%
	THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT	1.81%
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.47%
Note: The above list excludes Nihon Kohden's treasury stock of 4,073 thousand shares (4.53%).		
(10) Consolidated financial results of the fiscal year ended March 31, 2016		
Net assets	¥97,671 million	
Total assets	¥144,270 million	
Net assets per share	¥1,140.25	
Net sales	¥165,522 million	
Operating income	¥16,438million	
Ordinary income	¥16,116million	
Income attributable to owners of parent	¥10,516million	
Net income per share	¥120.12	

Dissolving companies (Nihon Kohden Hokkaido Corporation, Nihon Kohden Tohoku Corporation)

(1) Name	Nihon Kohden Hokkaido Corporation (dissolving company)	Nihon Kohden Tohoku Corporation (dissolving company)
(2) Address	Sapporo City, Hokkaido	Sendai City, Miyagi
(3) Name and title of representative	Tadahiro Nishimura, president	Masakazu Tanaka, president
(4) Type of business	Sales of medical electronic equipment	Sales of medical electronic equipment
(5) Capital stock	¥90million	¥120million
(6) Incorporated	September 30, 1976	February 10, 1975
(7) Number of shares issued	180,000	240,000
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholders ratio	Nihon Kohden Corporation 100%	Nihon Kohden Corporation 100%
(10) Financial results of the fiscal year ended March 31, 2016		

Net assets	¥198million	¥303million
Total assets	¥1,787million	¥2,600million
Net assets per share	¥1,104.39	¥1,262.72
Net sales	¥3,725million	¥5,594million
Operating income	¥52million	¥33million
Ordinary income	¥54million	¥36million
Net income	¥32million	¥12million
Net income per share	¥183.26	¥50.80

Dissolving companies (Nihon Kohden Higashi Kanto Corporation, Nihon Kohden Kita Kanto Corporation)

(1) Name	Nihon Kohden Higashi Kanto Corporation (dissolving company)	Nihon Kohden Kita Kanto Corporation (dissolving company)
(2) Address	Chiba City, Chiba	Saitama City, Saitama
(3) Name and title of representative	Yoshinori Obara, president	Isao Nasu, president
(4) Type of business	Sales of medical electronic equipment	Sales of medical electronic equipment
(5) Capital stock	¥125million	¥91million
(6) Incorporated	October 15, 1975	October 16, 1975
(7) Number of shares issued	250,000	182,000
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholders ratio	Nihon Kohden Corporation 100%	Nihon Kohden Corporation 100%
(10) Financial results of the fiscal year ended March 31, 2016		
Net assets	¥1,238million	¥1,315million
Total assets	¥5,982million	¥6,030million
Net assets per share	¥4,952.86	¥7,229.39
Net sales	¥10,458million	¥10,328million
Operating income	¥419million	¥474million
Ordinary income	¥425million	¥480million
Net income	¥277million	¥306million
Net income per share	¥1,110.29	¥1,682.76

Dissolving companies (Nihon Kohden Tokyo Corporation, Nihon Kohden Minami Kanto Corporation)

(1) Name	Nihon Kohden Tokyo Corporation (dissolving company)	Nihon Kohden Minami Kanto Corporation (dissolving company)
(2) Address	Bunkyo Ward, Tokyo	Yokohama City, Kanagawa
(3) Name and title of representative	Kazuomi Shimoda, president	Kenji Kojima, president
(4) Type of business	Sales of medical electronic equipment	Sales of medical electronic equipment
(5) Capital stock	¥149million	¥97million
(6) Incorporated	October 15, 1976	October 20, 1975
(7) Number of shares issued	298,000	194,000
(8) Fiscal year end	March 31	March 31

(9) Major shareholders and shareholders ratio	Nihon Kohden Corporation 100%	Nihon Kohden Corporation 100%
(10) Financial results of the fiscal year ended March 31, 2016		
Net assets	¥2,170million	¥1,417million
Total assets	¥12,841million	¥6,618million
Net assets per share	¥7,282.03	¥7,309.23
Net sales	¥22,499million	¥11,329million
Operating income	¥1,285million	¥417million
Ordinary income	¥1,294million	¥422million
Net income	¥830million	¥270million
Net income per share	¥2,786.63	¥1,393.98

Dissolving companies (Nihon Kohden Chubu Corporation, Nihon Kohden Kansai Corporation)

(1) Name	Nihon Kohden Chubu Corporation (dissolving company)	Nihon Kohden Kansai Corporation (dissolving company)
(2) Address	Nagoya City, Aichi	Osaka City, Osaka
(3) Name and title of representative	Seiichi Ishizaka, president	Masahiko Kumakura, president
(4) Type of business	Sales of medical electronic equipment	Sales of medical electronic equipment
(5) Capital stock	140million	202million
(6) Incorporated	November 19, 1975	October 15, 1976
(7) Number of shares issued	280,000	404,000
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholders ratio	Nihon Kohden Corporation 100%	Nihon Kohden Corporation 100%
(10) Financial results of the fiscal year ended March 31, 2016		
Net assets	¥987million	¥1,640million
Total assets	¥6,464million	¥10,518million
Net assets per share	¥3,525.71	¥4,059.94
Net sales	¥11,713million	¥18,397million
Operating income	¥172million	¥498million
Ordinary income	¥177million	¥506million
Net income	¥112million	¥325million
Net income per share	¥401.95	¥805.11

Dissolving companies (Nihon Kohden Chugoku Corporation, Nihon Kohden Shikoku Corporation)

(1) Name	Nihon Kohden Chugoku Corporation ^{*1} (dissolving company)	Nihon Kohden Shikoku Corporation ^{*2} (dissolving company)
(2) Address	Hiroshima City, Hiroshima	Matsuyama City, Ehime
(3) Name and title of representative	Naoya Masuda, president	Yoshinobu Ide, president
(4) Type of business	Sales of medical electronic equipment	Sales of medical electronic equipment
(5) Capital stock	¥175million	¥90million

(6) Incorporated	August 26, 1975	March 22, 2016
(7) Number of shares issued	350,000	180,000
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholders ratio	Nihon Kohden Corporation 100%	Nihon Kohden Corporation 100%
(10) Financial results of the fiscal year ended March 31, 2016		
Net assets	¥719million	¥90million
Total assets	¥5,055million	¥90million
Net assets per share	¥2,054.60	¥500
Net sales	¥9,752million	—
Operating income	¥227million	—
Ordinary income	¥233million	—
Net income	¥148million	—
Net income per share	¥423.06	—

*1 Effective May 2016, Nihon Kohden Chushikoku Corporation changed its name to Nihon Kohden Chugoku Corporation.

*2 Nihon Kohden Shikoku Corporation was established in March 2016 and started operation in May 2016.

Dissolving companies (Nihon Kohden Kyushu Corporation)

(1) Name	Nihon Kohden Kyushu Corporation (dissolving company)
(2) Address	Fukuoka City, Fukuoka
(3) Name and title of representative	Nobuo Hayashi, president
(4) Type of business	Sales of medical electronic equipment
(5) Capital stock	¥80million
(6) Incorporated	August 16, 1974
(7) Number of shares issued	160,000
(8) Fiscal year end	March 31
(9) Major shareholders and shareholders ratio	Nihon Kohden Corporation 100%
(10) Financial results of the fiscal year ended March 31, 2016	
Net assets	¥672million
Total assets	¥6,908million
Net assets per share	¥4,205.60
Net sales	¥12,615million
Operating income	¥221million
Ordinary income	¥220million
Net income	¥142million
Net income per share	¥890.69

4. Situation after the Merger

There will be no change to the name, address, name and title of representative, type of business, capital stock, and fiscal year end of Nihon Kohden Corporation after the merger.

5. Impact on Business Performance

The merger will have minor impact on consolidated business performance because it is a merger with wholly-owned consolidated subsidiaries.