

May 15, 2017

Company: Nihon Parkerizing Co., Ltd.  
Representative: Kazuichi Satomi, President & C.O.O.  
(Code: 4095, Tokyo Stock Exchange, First Section)  
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To whom it may concern

**Notice concerning absorption-type merger (simplified merger / short-form merger)  
with a consolidated subsidiary**

A resolution was passed at a meeting of the Board of Directors of Nihon Parkerizing Co., Ltd. on May 15, 2017 to absorb our consolidated subsidiary Parker Industries, Inc. in an absorption-type merger (hereinafter “the Merger”).

Since the Merger is a simplified absorption-type merger of a wholly owned subsidiary, certain disclosure items and details are omitted.

Notice

1. Purpose of the Merger

Parker Industries, Inc. is a wholly owned subsidiary of Nihon Parkerizing Co., Ltd., and is mainly engaged in the manufacture and sale of rust preventive oils. As part of Nihon Parkerizing’s strategy to ensure sustained growth of the Parker Group and restructuring of its organization in order to improve corporate value, it has decided to absorb Parker Industries in order to strengthen the Group’s technical and sales capabilities by creating a consistent development structure for the development of chemicals from rust preventive oils to degreasing and phosphate treatments, as well as integration with development of rolling oils.

2. Outline of Merger

(1) Schedule of Merger

Resolution of Board of Directors relating to the Merger: May 15, 2017

Conclusion of Merger agreement: February 2018

Date of Merger (effective date): April 1, 2018

Nihon Parkerizing will follow the procedures for a simplified merger under the provisions of Article 796, Paragraph 2 of the Company Act of Japan and Parker Industries will follow the procedures for a short-form merger under the provisions of Article 784, Paragraph 1 of the same Act, and therefore neither company requires approval of the merger agreement by a general meeting of shareholders.

(2) Method of Merger

It is an absorption-type merger in which Nihon Parkerizing will be the surviving company and Parker Industries will be dissolved.

(3) Allotment details pertaining to the Merger

There is no allotment of shares or other assets in the Merger.

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

Parker Industries has not issued any stock acquisition rights and bonds with stock acquisition rights

3. Overview of the companies involved in the merger (as of March 31, 2017)

	Surviving company	Company to be dissolved
(1) Name	Nihon Parkerizing Co., Ltd.	Parker Industries, Inc.
(2) Location	1-15-1 Nihonbashi, Chuo-ku, Tokyo	2-16-8 Nihonbashi, Chuo-ku, Tokyo
(3) Name and title of representative	Kazuichi Satomi, President and C.O.O.	Hiroshi Kijima, President
(4) Description of business	Manufacture and sale of metal surface treatment chemicals	Manufacture and sale of rust preventive oil
(5) Capital	4,560 million yen	300 million yen
(6) Establishment	July 12, 1928	May 1, 1972
(7) Number of outstanding shares	132,604,524 shares	600,000 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and ratio of shareholding	Nippon Life Insurance Company 5.29% Meiji Yasuda Life Insurance Company 4.20% The Chiba Bank, Ltd. 3.59%	Nihon Parkerizing Co., Ltd. 100%
(10) Business results and financial condition in preceding business year		
	March 2017 (consolidated)	March 2017 (individual)
Net assets	145,944 million yen	2,321 million yen
Total assets	196,456 million yen	4,227 million yen
Net assets per share	1,011.60 yen	3,869.23 yen
Net sales	109,569 million yen	4,484 million yen
Operating income	16,934 million yen	401 million yen
Ordinary income	18,779 million yen	443 million yen
Net income (attributable to parent company shareholders)	12,228 million yen	321 million yen
Net income per share	99.14 yen	536.48 yen

4. Conditions after merger

The Merger does not affect Nihon Parkerizing's name, location, representative's title and name, business content, capital stock or fiscal year end.

5. Future outlook

Since the Merger only involves Nihon Parkerizing and its wholly owned subsidiary, it will have no significant impact on the consolidated business results.

End

(Reference) Forecast for consolidated financial results for FY2018 (as announced May 15, 2017) and consolidated financial results for FY2017 (unit: million yen)

	Consolidated sales	Consolidated operating income	Consolidated ordinary income	Net income attributable to parent company shareholders
Forecast of consolidated financial results for FY2018	110,000	17,000	19,500	11,400
Consolidated financial results for FY2017	109,569	16,934	18,779	12,228