

October 1st 2019

To whom it may concern

Company name:	Anest Iwata Corporation
Name of representative:	Takahiro Tsubota President Executive Officer and Representative Director (Code:6381 , First section of the Tokyo Stock Exchange)
Contact:	Koichi Takano Corporate officer and General Manager of Corporate Planning Department (Phone: 045-591-9344)

Notice of Absorption Merger (Simplified / Short-Form Merger) with Consolidated Subsidiaries

Anest Iwata Corporation (hereinafter “the Company”) announces that on October 1st,2019 the Company decided at the board of directors meeting held today to merger its consolidated subsidiaries, Anest Iwata Compressor Corporation and Anest Iwata Coating Solutions Corporation (collectively referred to as “Domestic Sales Subsidiaries”), into the Company effective as of April 1st,2020 as outlined below.

Since this merger is a simplified absorption-type merger of a wholly-owned subsidiaries, the disclosure of certain items and details have been omitted in the announcement.

1. Purpose of the merger

Domestic Sales Subsidiaries are wholly-owned subsidiaries of the Company that sale and repair the products made by the Company in Japan. In order to improve the satisfaction of our customers, we decided to integrate the business department and service department and to conduct a full integration of Domestic Sales Subsidiaries that would allow us to strengthen our business foundation and improve efficiency of our sales operation.

2. Summary of the merger

(1) Schedule of the merger

October 1, 2019	Resolution to approve the conclusion of merger agreement by the Board of Directors
October 1, 2019	Conclusion of merger agreement
April 1, 2020	Effective date of merger (Scheduled merger date)

Note: According to the simplified merger rules in paragraph 2 of Article 796 of the Companies Act and the short-form merger rules in paragraph 1 of Article 784 of the Companies Act, both of the Company and the Domestic Sales Subsidiaries will proceed with the merger without receiving approval at the general shareholders’ meeting.

(2)Merger method

The Company shall be the surviving company under the absorption-type merger and Domestic Sales Subsidiaries shall be dissolved.

(3) Allocation associated with the merger

This merger is a merger with a wholly-owned subsidiary of the Company, and there shall be no allotment of shares or payment of any other consideration in conjunction with the merger.

(4) Treatment of any subscription rights to shares or bonds with subscription rights to shares accompanying the merger

Not applicable

3.Outline of the companies participating in the merger

(as of March 31,2019)

	Surviving company (the Company)	Absorbed company (Domestic Sales Subsidiaries)	
(1) Company name	Anest Iwata Corporation.	Anest Iwata Compressor Corporation.	Anest Iwata Coating Solutions Corporation.
(2)Details of business	Manufacture and sale of air compressors, vacuum equipment, coating equipment and coating systems	Sales and repair of air compressors and vacuum equipment	Sales and repair of coating equipment, coating systems and fluid production
(3)Date of incorporation	June 2,1948	November 22, 1995	May 30,2007
(4)Location of head office	3176, Shinyoshida-cho, Kohoku-ku, Yokohama 223-8501,Kanagawa	3176, Shinyoshida-cho, Kohoku-ku, Yokohama 223-8501,Kanagawa	3176, Shinyoshida-cho, Kohoku-ku, Yokohama 223-8501,Kanagawa
(5)Title and name of representative	Takahiro Tsubota Representative Director	Nobukazu Kamehara Representative Director	Mitsuru Nakajima Representative Director
(6)Capital	¥3,354 million	¥10 million	¥10 million
(7)Number of issued shares	41,745,505 shares	200 shares	200 shares
(8)End of fiscal term	March 31	March 31	March 31
(9)Major shareholders and shareholding ratio	<ul style="list-style-type: none"> • Japan Trustee Services Bank, Ltd. 8.9% • The Master Trust Bank of Japan, Ltd. 7.4% • The Dai-ichi Life Insurance Company, Limited 5.4% 	<ul style="list-style-type: none"> • Anest Iwata Corp. 100% 	<ul style="list-style-type: none"> • Anest Iwata Corp. 100%
(10)Operational results and financial condition for the immediately preceding fiscal year			
Accounting period	Fiscal year ended March 31,2019 (consolidated)	Fiscal year ended March 31,2019 (non-consolidated)	Fiscal year ended March 31,2019 (non-consolidated)
Net assets	¥33,502 million	¥1,126 million	¥599 million
Total assets	¥47,557 million	¥3,320 million	¥1,553 million
Net assets per share (¥)	¥716.40	¥5,631,067.47	¥2,999,309.56
Net sales	¥38,807 million	¥11,831 million	¥4,715 million
Operating income	¥4,339 million	¥ 515 million	¥325 million
Ordinary income	¥4,701 million	¥514 million	¥326 million
Net income	¥2,947 million	¥335 million	¥213 million
Basic earnings per share(¥)	¥70.62	¥1,677,382.85	¥1,067,499.26

4. Status of the Company after merger

There shall be no change to the Company's name, location of head office, title and name of representative, details of business, capital, or accounting period after this merger.

5. Future prospects

This merger shall not have any impact on the consolidated results of the Company.

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