



Notice Regarding Acquisition of Membership Interest of Guilin Refine Medical Instrument Co., Ltd.

KANUMA, October 16, 2023

Nakanishi Inc. (the "Company") hereby announces that it has resolved for NSK Shanghai Co., Ltd. ("NSK Shanghai"), a consolidated subsidiary of the Company, to purchase all membership interest of Guilin Refine Medical Instrument Co., Ltd. ("Refine"), making it a subsidiary (second-tier subsidiary), at the Board of Directors meeting held on October 13, 2023 as below.

1. Reason for the acquisition of membership interest

The Company has been committed to leveraging its "cutting technology" cultivated since its establishment with the aim of providing customers with inspiring products in each of the Dental, Surgical and Industrial segments. As a dedicated manufacturer of rotary cutting equipment, the Company operates a vertically integrated business model encompassing development, manufacturing, and sales, and has the largest share in the global dental handpiece market. Meanwhile, Refine is a dental equipment manufacturer founded in 2017 that has steadily grown its business in the fiercely competitive Chinese market. It independently develops, manufactures, and sells its core products such as oral hygiene equipment and endodontic treatment equipment.

The Company and Refine will, while maintaining the product lineup as a group, proceed with the selection and concentration of development and manufacturing resources to specialize in their respective product areas of expertise. The Company will focus its resources on high-end products in the oral hygiene field, including its core products such as dental handpieces and implant motors. Meanwhile, Refine will specialize in the development and manufacturing of endodontic treatment equipment and low-end products in the oral hygiene field, strengthening its structure, and will focus on expanding its business in Chinese market for the time being.

2. Overview of subsidiary (NSK Shanghai)

(1)	Company name	NSK Shanghai Co., Ltd. (NSK Shanghai)
(2)	Location	Room 702 Tower 1 SOHO Tianshan Plaza, No. 421 ZiYun Road, Changning District, Shanghai
(3)	Representative	Masataka Suzuki, Chairperson
(4)	Description of business	Sales of dental products and surgical products
(5)	Capital	RMB 11.07 million (JPY 221 million)

*Calculated at the rate of RMB 1 = JPY 20

3. Overview of second-tier subsidiary (Refine)

(1)	Company name	Guilin Refine Medical Instrument Co., Ltd. (Refine)	
(2)	Location	No. 8-3, Information Industrial Park, High-Tech Zone, Qixing District, Guilin	
(3)	Representative	Chen Xiuhua, Chairperson	
(4)	Description of business	Development, manufacturing, and sales of dental products such as ultrasonic scalers	
(5)	Capital	RMB 3.25 million (JPY 65 million)	
(6)	Date of establishment	May 2017	
(7)	Accounting period	December	
(8)	Major shareholders and ownership ratios	Chen Xiuhua	40%
		Other 7 employees of Refine	60%
(9)	Relationship between Refine and the Company	Capital relationship	Not applicable
		Personnel relationship	Not applicable
		Business relationship	Not applicable

*Calculated at the rate of RMB 1 = JPY 20

Contact

Investors

Daisuke Suzuki
Corporate Vice President & Group CFO

Masatoshi Akiya
Head of Corporate Communication

Saki Tabei
Corporate Communication Specialist

ir@nsk-nakanishi.co.jp

Media

Nobue Ebihara
Corporate Communication Specialist

Kazuki Takagi
Corporate Communication Specialist

pr@nsk-nakanishi.co.jp

About Nakanishi Inc.

To achieve the mission of "To create brilliant progress via innovative grinding technology," NSK has continued to hone the three core technologies of high-speed rotary technology, ultrasound technology and micro motor technology.

Using these core technologies, NSK will continue to provide innovative products in the dental, surgical and industrial fields, and keep contributing toward the creation of all kinds of progress, such as bringing inspiration, happiness, benefits and joy to society and people.

NSK has three main locations for development and production; RD1, headquarters and A1 factory in Kanuma, Japan.

The company's shares are listed in the Tokyo Stock Exchange.

Visit www.en.nakanishi-inc.jp for more information about Nakanishi Inc. and our products.



4. Overview of from whom (individual) membership interest will be acquired

(1)	Name	ChenXiuhua
(2)	Address	Guilin
(3)	Relationship between individual and the Company	Not applicable

*Further information about the counterparty will not be disclosed due to confidentiality obligations.

5. Proportion of membership interest to be acquired and ownership interest before and after the acquisition

(1)	Proportion of ownership interest before transfer	0%
(2)	Proportion of membership interest to be acquired	100%
(3)	Proportion of ownership interest after transfer	100%

*The acquisition value will not be disclosed due to confidentiality obligations.

6. Timetable

(1)	Date when contract will be concluded	October 13, 2023
(2)	Date of membership interest acquisition	November 30, 2023 (scheduled)

7. Future outlook

This acquisition has minimal impact on the consolidated results for the fiscal year ending December 31, 2023. The Company will promptly disclose any matters that require public announcement.

Note:
This document is a translation of the original Japanese document and is only for reference purposes. All readers are recommended to refer to the original version in Japanese of the release for complete information.

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