

April 20th, 2017
 NIKKISO CO., LTD.

Notice regarding the Acquisition of Cryogenic Industries group

Nikkiso Co., Ltd. (“NIKKISO”) hereby announces that its Board of Directors decided on April 20th, 2017 to conclude a share purchase agreement for the acquisition of 100% shares in ACD LLC, Cosmodyne LLC, Cryoquip LLC and Cryogenic Industries AG (“CIS”), referred to as Cryogenic Industries group.

1. Objectives of acquiring equity

The companies including ACD LLC, Cosmodyne LLC and Cryoquip LLC collectively referred to as Cryogenic Industries group is one of the world’s leading companies for a wide range of products and services for plants for liquefaction and separation of the air gases (oxygen, nitrogen and argon) and plants for the small scale liquefaction of natural gas (LNG) for industrial gas and energy industries, including equipment of designs for market with minimal environmental impact.

Nikkiso group including LEWA GmbH and Geveke B.V. on the other hand, has an unique strong position as one of the world’s leading pump and system manufactures of various products and services for fields from the upper stream like development of crude oil and natural gas, through transportation of LNG, to the downstream including petroleum refinery and petroleum chemistry.

Cryogenic Industries group is specialized in centrifugal and reciprocating pumps as its core technology in common with Nikkiso, moreover is acquainted with vaporization and liquefaction which are able to enhance Nikkiso’s business. The combination of companies, ACD LLC, Cosmodyne LLC, Cryoquip LLC and CIS, and Nikkiso group will create business synergy effects to improve products, services and network for services. It is also expected to capture opportunities to expand the business into growing markets like industrial gas and clean fuel including hydrogen. Nikkiso will continue to make creative contribution to the basis of people’s livelihood by high-quality products and services based on its original and advanced technologies.

2. Outline of acquiring entity

① Outline of the newly established subsidiary

(1) Company Name	CRYOGENIC INDUSTRIES HOLDINGS, INC.
(2) Address of Headquarters	5910 Pacific Center Boulevard, Suite 110, San Diego, CA, USA
(3) Representative	President Peter Wagner
(4) Business Description	Group management strategy formulation and management oversight
(5) Capital	USD 1
(6) Date Established	April 20th, 2017
(7) Investment ratio	Nikkiso America, Inc. (100%)
(8) Fiscal Year	December

※NIKKISO will acquire shares of ACD LLC, Cosmodyne LLC, Cryoquip LLC through CRYOGENIC INDUSTRIES HOLDINGS, INC.

② Outline of the acquiring subsidiary

(1) Company Name	NIKKISO INTERNATIONAL Co., Ltd.
(2) Address of Headquarters	20-3, Ebisu 4-Chome, Shibuya-ku, Tokyo, Japan
(3) Representative	CEO Fumio Terakado
(4) Business Description	Group management strategy formulation and management oversight
(5) Capital	JPY 10M

(6) Date Established	June 14, 1963
(7) Investment ratio	Nikkiso Co., Ltd. (100%)
(8) Fiscal Year	December

※NIKKISO will acquire shares of CIS through NIKKISO INTERNATIONAL Co., Ltd.

3. Outline of acquired entity

① Outline of ACD LLC

(1) Company Name	ACD, LLC
(2) Address of Headquarters	2321 S. Pullman Street, Santa Ana, CA 92705 USA
(3) Representative	General Manager James Estes
(4) Business Description	Manufacture and sales of centrifugal and reciprocating pumps, and turbo expanders for industrial gas and energy industries
(5) Date Established	1962
(6) Capital investors	Cryogenic Industries, Inc.
(7) Relationship with NIKKISO	N/A

② Outline of Cosmodyne LLC

(1) Company Name	Cosmodyne, LLC
(2) Address of Headquarters	3010 Old Ranch Pkwy, Ste 300 Seal Beach, CA 90740 USA
(3) Representative	General Manager George Pappagelis
(4) Business Description	Gas separation, gas purification, EPC of gas liquefaction plants for industrial gas and energy industries
(5) Date Established	1958
(6) Capital investors	Cryogenic Industries, Inc.
(7) Relationship with NIKKISO	N/A

③ Outline of Cryoquip LLC

(1) Company Name	Cryoquip, LLC
(2) Address of Headquarters	25720 Jefferson Avenue Murrieta, CA 92562 USA
(3) Representative	General Manager Patrick Billman
(4) Business Description	Manufacture and sale of heat transfer equipment for the industrial gas and energy industries
(5) Date Established	1982
(6) Capital investors	Cryogenic Industries, Inc.
(7) Relationship with NIKKISO	N/A

④ Outline of Cryogenic Industries AG

(1) Company Name	Cryogenic Industries AG
(2) Address of Headquarters	Aeschenvorstadt 4, 4CH-4051 Basel Switzerland
(3) Representative	Managing Director Gary A. Steres
(4) Business Description	Holding company--Management of subsidiaries
(5) Date Established	2002
(6) Capital investors	Ross M. Brown
(7) Relationship with NIKKISO	N/A

※NIKKISO will acquire the above four companies and their 18 subsidiaries.

4. Financial status for recent business years (consolidated)

Fiscal Year	FY2015	FY2016
Net assets	USD 144M	USD 144 M
Total assets	USD 210M	USD 191M
Revenue	USD 166M	USD 156M
EBITDA	USD 15M	USD 13M

※The above figures are pro forma amounts calculated by a third-party organization, and not audited.

※The above figures include the four major companies and their 18 subsidiaries.

5. Outline of other major parties regarding shares acquisition

(1) Name	Cryogenic Industries, Inc.
(2) Location	27710 Jefferson Avenue, Suite 301, Temecula, CA 92590 USA
(3) Representative	CEO Ross M. Brown
(4) Business Description	Holding company-- overall Group management strategy formulation and management oversight
(5) Date Established	1991
(6) Relationship with our company	N/A

※ Besides the above share transferee, share acquisition from 4 shareholders is planned. There is no capital, personal and business relationship to note.

6. Percentage of shares acquired and acquisition cost

(1) Equity owned before transfer	0 %
(2) Equity acquired & Equity after transfer	100%
(3) Estimated Acquisition cost	USD 438M

※From the perspective of fairness and appropriateness, the amount was determined based on the results of review by third-party organizations.

※The purchase price mentioned above has been calculated by adding estimated advisory fee, etc.

※The purchase price will be finalized to reflect purchase price adjustments on the date of the closing under the share purchase agreement.

7. Schedule

(1) Board meeting resolution	April 20th, 2017
(2) Signing date	April 20th, 2017
(3) Shares transfer date	August, 2017 (planned)

8. Financial impact on group performance

The impact of this acquisition on NIKKISO's consolidated business performance for the period ending Dec 31, 2017 is currently under review and will be promptly disclosed as soon as the details become clear.

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