



June 3, 2019

Company name: Nikkiso Co., Ltd.
 Representative's name: President & CEO: Toshihiko Kai
 (TSE 1st Section, Code No. 6376)
 Inquiries: Director & Executive Vice President Hiroshi Nakamura
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Notice of Changes to Consolidated Subsidiaries (Share Transfers)

Nikkiso Co., Ltd. (the "Company") resolved, at its board of directors meeting, to transfer all of its shareholdings in its consolidated subsidiaries, MicrotracBEL Corp. and Microtrac, Inc., to Verder International B.V., as described below.

As a result, MicrotracBEL Corp. and Microtrac, Inc. are excluded from the Company's consolidated subsidiaries.

1. Reasons for share transfers

To respond appropriately to changes in business environments and achieve further growth, the Company has made upfront investments necessary for its growth, including the acquisition of the Cryogenic Industries Group (U.S.) and the construction of new factories in Miyazaki and Vietnam. The Company also aims to improve its profitability and corporate value by reviewing its business portfolio.

The Company has handled the particle analysis instruments business via MicrotracBEL Corp. and Microtrac, Inc., its consolidated subsidiaries, in the Precision Equipment Business, one of its main businesses. We have reconsidered how closely the business operations are related to our main businesses and mutual growth strategies. As a result, the Company has concluded that the best choice would be to separate them from the Nikkiso Group and let them expand and develop their businesses under the control of Verder International B.V. (Netherlands), which manufactures and sells scientific instruments, laboratory equipment, and pumps, and decided to transfer the said shares this time.

2. Outline of subsidiaries to be changed

(i) Outline of MicrotracBEL Corp.

(1)	Company Name	MicrotracBEL Corp.	
(2)	Address of Headquarters	8-2-52 Nanko-higashi, Suminoe-ku, Osaka-shi, Osaka	
(3)	Title and Name of Representative	President & CEO Kazuyuki Nakai	
(4)	Business Description	Development, manufacturing, and sales of particle analysis instruments, material analysis equipment, etc.	
(5)	Capital	JPY 65.8 million	
(6)	Date Established	October 1, 2014	
(7)	Major shareholder	Nikkiso Co., Ltd. (100% ownership)	
(8)	Relationship with Nikkiso	Capital relationship	The Company owns 100% of the shares.
		Human relationship	The Company has dispatched two directors and one corporate auditor.
		Transaction relationship	None in particular

(ii) Outline of Microtrac, Inc.

(1)	Company Name	Microtrac, Inc.
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(2)	Address of Headquarters	215 Keystone Drive Montgomeryville, PA 18936, U.S.A.	
(3)	Title and Name of Representative	Director & CEO Dennis Martin	
(4)	Business Description	Manufacturing and sales of Microtrac particle-size distribution analyzers and particle analysis instruments	
(5)	Capital	USD 3 million	
(6)	Date Established	January 1, 2000	
(7)	Major shareholder	Nikkiso America, Inc. 100%	
(8)	Relationship with Nikkiso	Capital relationship	The Company's consolidated subsidiary owns 100% of the shares.
		Human relationship	The Nikkiso Group has dispatched three directors.
		Transaction relationship	None in particular

(iii) Operating results and financial positions for the last three years (combined results for MicrotracBEL Corp. and Microtrac, Inc.)

Fiscal year	FYE December 2016	FYE December 2017	FYE December 2018
Total Assets	JPY 3,581 million	JPY 3,864 million	JPY 3,815 million
Total Equity	JPY 1,496 million	JPY 1,784 million	JPY 2,003 million
Revenue	JPY 3,790 million	JPY 4,293 million	JPY 4,692 million
Operating profit	JPY 167 million	JPY 394 million	JPY 512 million

*Adopted Japanese standards for FYE December 2016 and International Financial Reporting Standards (IFRS) for FYE December 2017 and FYE December 2018.

3. Outline of the transferee of shares

(1)	Company Name	Verder International B.V.	
(2)	Address of Headquarters	Utrechtseweg 4A, 3451 GG Utrecht, Netherlands	
(3)	Title and Name of Representative	CEO Andries Verder	
(4)	Business Description	Manufacturing and sales of scientific instruments, laboratory equipment and pumps	
(5)	Relationship with Nikkiso	Capital relationship	None in particular
		Human relationship	None in particular
		Transaction relationship	None in particular
		Notes on related parties	None in particular

4. Transfer price and the ratios of voting rights before and after the transfer

(1)	Ratio of voting rights before the transfer	100%
(2)	Ratio of voting rights after the transfer	0%

*The transfer price is not disclosed. This price is considered fair as the Company has determined it by having negotiations with the transferee through a process carried out in a fair manner.

5. Schedule

(1)	Date of the board of directors' resolution	June 3, 2019
(2)	Contract date	June 3, 2019
(3)	Share transfer date	By the end of June 2019 (plan)

6. Future outlook

The effects of this transfer on the Company's consolidated performance for FYE December 2019 are currently under careful examination and will be announced immediately after the examination results are obtained.

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