

Company name: Nikkiso Co., Ltd.  
 Representative: Toshihiko Kai, President & CEO  
 (Stock code: 6376 First section of the Tokyo Stock Exchange)  
 Contact: Susumu Koito, Director, General Manager of Corporate Unit  
 (Tel. +81-3-3443-3717)

## **Notice of Intention on Share Transfer Accompanying Change in Consolidated Subsidiary**

Nikkiso Co., Ltd. (the "Company") hereby announces that it adopted a resolution at its board of directors meeting held on December 20, 2021, to enter into a letter of intent to sell all shares of its consolidated subsidiaries, LEWA GmbH ("LEWA") and Geveke B.V. ("Geveke"). The Company will proceed with exclusive discussions and examinations with a potential transferee (the "Buyer") with the aim of concluding a share transfer agreement. In the event that the Company resolves to enter into a share transfer agreement, the details of such agreement will be disclosed.

### 1. Reason for the share transfer

The Company has been strengthening its growth strategies in each region and business by refocusing on its core business. In line with this, the Company has decided to enter negotiation exclusively with a potential Buyer to sell its entire shares in LEWA and Geveke.

The prospective buyer will provide a good home for LEWA / Geveke and be able to focus on the successful future development to continue the successful path the organization have taken under the Company's ownership.

Through this review of the business portfolio, the Company will concentrate its management resources on the next-generation energy related market to solidify sustainable growth over the medium to long term future. At the same time, the Company will use the proceeds from the sale of shares to reduce external debt and improve its financial position.

### 2. Overview of the subsidiary to be transferred

#### 1) Summary of LEWA GmbH (as of November 30, 2021)

(1) Name	LEWA GmbH	
(2) Headquarters	Ulmer Strasse 10, 71229 Leonberg, Germany	
(3) Job Title/Name of Representative	Masaru Yamamura, Managing Director & CEO	
(4) Businesses	Manufacturing and sales of industrial products and technical services	
(5) Share capital	EUR 5,000,000	
(6) Established	October 27, 1953	
(7) Major Shareholder and shareholding ratio	Nikkiso Pumps Europe GmbH : 100%	
(8) Relationship with the Company	Capital relationship	The Company's 100% subsidiary, Nikkiso Pumps Europe GmbH holds 100% of the voting rights of this company.
	Personnel relationship	One of its directors concurrently serves as a director of this company.
	Business relationship	The Company has the following business relationships with this company. i. Guarantees of bank loans, etc. ii. Sales of its products and the purchase of products from this company

(9) Operating results and financial position for the most recent three fiscal years			
Fiscal year end	Year ended Dec. 31, 2018	Year ended Dec. 31, 2019	Year ended Dec. 31, 2020
Total Assets	EUR 211.7 million	EUR 228.9 million	EUR 250.0 million
Total equity	EUR 117.7 million	EUR 135.9 million	EUR 154.5 million
Revenue	EUR 237.4 million	EUR 242.4 million	EUR 251.2 million
Operating income	EUR 15.2 million	EUR 26.3 million	EUR 28.4 million

## 2) Summary of Geveke B.V.

(as of November 30, 2021)

(1) Name	Geveke B.V.		
(2) Headquarters	Kabelweg 21, 1014 BA Amsterdam, Netherlands		
(3) Job Title/Name of Representative	Robert Hessen, Executive Director and CEO		
(4) Businesses	Manufacture and sale of industrial business products		
(5) Share capital	EUR 60,100		
(6) Established	December 5, 2007		
(7) Major Shareholder and shareholding ratio	Nikkiso Co., Ltd. : 100%		
(8) Relationship with the Company	Capital relationship	The Company holds 100% of the voting rights of this company.	
	Personnel relationship	There is no personal relationship that should be stated.	
	Business relationship	The Company has the following business relationships with this company. i. Guarantees of bank loans, etc. ii. Sales of its products	
(9) Operating results and financial position for the most recent three fiscal years			
Fiscal year-end	Year ended Dec. 31, 2018	Year ended Dec. 31, 2019	Year ended Dec. 31, 2020
Total Assets	EUR 28.6 million	EUR 39.2 million	EUR 33.3 million
Total equity	EUR 16.3 million	EUR 21.8 million	EUR 16.0 million
Revenue	EUR 53.3 million	EUR 61.3 million	EUR 56.0 million
Operating income	EUR 6.3 million	EUR 7.5 million	EUR 6.5 million

## 3. Overview of the Counterparty to the Share Transfer

Due to a confidentiality agreement with the Buyer, the Company can not disclose any information of the Buyer at this moment. There are no capital, personal or business relationships with the Buyer. In addition, the Buyer is not applied as a related party for the Company. When a resolution to enter into a share transfer agreement is passed, the outline of the counterparty to this share transfer will be disclosed.

## 4. Transfer Price and Percentage of Voting Shares before and after Transfer

(1) Percentage of voting rights held before the transfer	100%
(2) Transfer price	Due to the confidentiality agreement with the counterparty, the Company has not disclosed the information at this time. When a resolution to enter into a share transfer agreement is passed, the transfer price to the buyer will be disclosed.
(3) Percentage of voting rights held after the	0%

transfer	
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#### 5. Schedule

(1)	Date of the share transfer agreement	Plan to execute till the end of March 2022
(2)	Effective date of the share transfer	Plan to complete till the end of May 2022

※ The closing date and execution date of the share transfer agreement are subject to change under agreement with the counterparty. If any changes are made, they will be disclosed.

#### 6. Effect on income

This share transfer will exclude LEWA and its subsidiaries, Geveke and its subsidiaries from the company's consolidation. However, this share transfer will have no impact on the consolidated and non-consolidated business results for the current fiscal year, as the execution date of the share transfer will be scheduled for the next fiscal year 2022.