December 15, 2023

Tsubaki Nakashima Co., Ltd.
Koji Hirota
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Notice of Absorption-Type Merger (Simplified Merger and Short-form Merger) of a Consolidated Subsidiary

Tsubaki Nakashima Co., Ltd. (“the company) hereby announces that, at its Board of Directors meeting held on December 15, 2023, the company has resolved to conduct an absorption-type merger (the Merger”) with the company’s consolidated subsidiary Tsubaki Steel Ball Co., Ltd.
As the Merger is a simplified merger and short-form merger with a wholly owned subsidiary, some disclosure items and their content have been omitted.

1. Purpose of the Merger

Tsubaki Steel Ball Co., Ltd. manufactures and sells ceramic balls, but the company has decided to merge with Tsubaki Steel Ball Co., Ltd. to concentrate and rationalize management resources.

2. Overview of the Merger

(1) Schedule of the Merger

Date of Board of Directors resolution approving the merger agreement	December 15, 2023
Date of conclusion of the merger agreement	December 15, 2023
Date of merger (effective date)	February 1, 2024 (scheduled)

Note: For the company, the Merger is a simplified merger pursuant to the provisions of Article 796, paragraph (2) of the Companies Act. For Tsubaki Steel Ball Co., Ltd. the Merger is a short-form merger pursuant to the provision of Article 784, paragraph (1) of the Companies Act. Therefore, neither company will hold a general meeting of shareholders concerning the approval of the merger agreement.

(2) Method of the Merger

In the absorption-type merger, the company will be the surviving company and Tsubaki Steel Ball Co., Ltd. will be dissolved.

(3) Details of allotments concerning the Merger

As the Merger is an absorption-type merger with a wholly owned subsidiary, it will not involve allotments of shares, money, etc.

(4) Handling of share acquisition rights and bonds with share acquisition rights associated with the Merger

There are no relevant matters pertaining this.

Disclaimer：The English translation is only for reference purposes. When there is any discrepancy between original Japanese version and English translation, the original Japanese version always prevails.

3. Overview of companies involved in the Merger (as of December 31, 2022)

	Surviving company in the absorption-type merger	Disappearing company in the absorption-type merger
(1) Name	TSUBAKI NAKASHIMA CO., LTD.	Tsubaki Steel Ball Co., Ltd.
(2) Location	19, Shakudo, Katsuragi, Nara, Japan	19, Shakudo, Katsuragi, Nara, Japan
(3) Title and name of representative	Director and Representative Executive Officer, President, CEO Koji Hirota	Representative Director Toru Fujikawa
(4) Business description	Manufacturing and sale of industrial precision balls, rollers, and other applications	Manufacturing and sale of Various kinds of steel balls, etc.
(5) Share capital	¥17,117 million	¥80 million
(6) Date of establishment	January 5, 2007	September 13, 1955
(7) Number of issued shares	41,599,600 shares	160,000 shares
(8) Fiscal year-end	December 31	December 31
(9) Major shareholder and holding ratio (as of June 30, 2023)	The Master Trust Bank of Japan, Ltd. (Accounted in trust) 12.76% Custody Bank of Japan, Ltd. (Accounted in trust) 4.48% NORTHERN TRUST CO.(AVFC) RE UKUC UCITS CLIENTS NON LENDING 10PCT TREATY ACCOUNT 4.07% THE BANK OF NEW YORK 133652 2.56% Tatsuya Aoki 1.49%	TSUBAKI NAKASHIMA CO., LTD. 100%
(10) Financial position and operating results for the most recent fiscal years		
Fiscal year-end	Fiscal yead ended December 31, 2022 (IFRS, consolidated)	Fiscal year ended December 31, 2022 (JGAAP, non-consolidated)
Total equity/Net assets	¥50,131 million	¥5,256 million
Total assets	¥159,891 million	¥6,274 million
Equity per share attributable to owners of the parent/Net assets per share	¥1,260.95	¥32,849.55
Sales	¥79,036 million	¥6,608 million
Operating profit	(¥9,065 million)	¥2,496 million
Profit before taxes/Ordinary profit	(¥9,648 million)	¥2,497 million
Profit attributable to owners of parent/Net profit	(¥9,089 million)	¥1,644 million
Basic earnings per share	(¥225.35)	¥10,271.93

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4. Situation after the Merger

After the Merger, there will be no changes to the company's name, location, title and name of representative, business description, share capital and fiscal year-end.

5. outlook

As the Merger is a merger with a wholly owned consolidated subsidiary, it will have a negligible impact on consolidated operating results.

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