



October 17, 2016

Company Name	Nippon Thompson Co., Ltd.
Representative	Shigeki Miyachi, President
(Code Number	6480, Section 1 of Tokyo Stock Exchange)
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## Notice of acquisition of equity interest of UBC (Shanghai) Precision Bearing Manufacturing Co., Ltd. as the subsidiary

Nippon Thompson Co., Ltd. (hereinafter, the “Company”) announces that the Board Member of the Company resolved on October 17, 2016 that the Company acquires the equity of UBC (Shanghai) Precision Bearing Manufacturing Co., Ltd. (hereinafter “UBC Shanghai”) and its subsidiary, UBC (Suzhou) Bearing Co., Ltd. (hereinafter “UBC Suzhou”) and UBC Shanghai and UBC Suzhou become the majority-owned subsidiaries of the Company.

### 1. Reason of acquisition

The Company manufactures and sells needle bearing and linear motion guides, etc. (hereinafter “Bearing Products”), as well as other mechanical components. Through manufacturing and sales of Bearing Products, the Company aims to increase the global presence with competitive advantage. The Company launched “IKO Mid-term Business Plan 2017 (3 year plan) ‘Change & Challenge’” and envisions the further business expansion since April 2015.

UBC Shanghai manufactures and sells various bearing products, including ball bearing, taper roller bearing, and cylindrical roller bearing. UBC Shanghai has the extensive global sales network toward more than 30 countries in addition to China and provides its products with “UBC” brand to the industrial companies such as automotive, wind power generation, robotics, construction equipment, and steel mills.

UBC Shanghai’s subsidiary, UBC Suzhou has its manufacturing facility with about 28,000 m<sup>2</sup> in the Changshu City in the suburbs of Shanghai. UBC Suzhou manufactures and sells high precision bearing with “AXPB” brand.

From now on, the Company expands the product line-up with the collaboration of UBC Shanghai and UBC Suzhou, and envisions the realization of synergy activities such as cross-selling of IKO/UBC/AXPB products utilizing the sales network of the Company, UBC Shanghai, and UBC Suzhou, cost reduction by joint procurement, and optimized global production strategy toward shorter lead-time and better cost competitiveness. By strengthening the business development in the global market as well as in China, the Company will accelerate the further growth strategy.

## 2. Overview of the new subsidiaries

### \*UBC Shanghai

(1)	Name of Company	UBC (Shanghai) Precision Bearing Manufacturing Co., Ltd.
(2)	Head Office	Shanghai, China
(3)	Representative	Domingo So Penaloza, Chairman
(4)	Business	Manufacturing and sales of high precision bearing and other dedicated bearing to machine
(5)	Paid-in Capital	US\$ 8 million
(6)	Establishment	August 3, 2004

### \*UBC Suzhou

(1)	Name of Company	UBC (Suzhou) Bearing Co., Ltd.
(2)	Head Office	Jiangsu Province, China
(3)	Representative	Domingo So Penaloza, Chairman
(4)	Business	R&D, manufacturing, and sales of bearing
(5)	Paid-in Capital	73 million RMB
(6)	Establishment	August 20, 2011

## 3. Ratio of equity acquired and equity ownership ratio before and after the purchase of equity

(1)	Equity held before the purchase	Voting rights: 0%
(2)	Equity acquired	Voting rights: 75%
(3)	Equity held after the purchase	Voting rights: 75%

Note: The seller and purchase price is not disclosed due to the agreement with the other party. The purchase price is decided, considering the valuation report prepared by the third party in order to secure the fairness and reasonableness.

## 4. Schedule

(1)	Resolution of the Board of Directors	October 17, 2016
(2)	Signing of the Agreement	October 17, 2016
(3)	Execution of the purchase of equity	January 2017 (planned)

## 5. Outlook

The impact of equity acquisition on the performance of the Company for the fiscal year ending March 2017 is now under evaluation. Once any event that should be disclosed happens, such event will be disclosed immediately.