

Feb 18,2021

Notice Regarding the Merger of a Subsidiary (Simplified Merger/Short-Form Merger)

NIPPON CORPORATION (the “Company”) announces that a meeting of the Board of Directors held today resolved to absorb its subsidiary Tofuku Flour Mills Co., Ltd. (Hereinafter, “Tofuku Flour Mills”). Details are as follows.

Since the Merger is a simplified merger targeting a wholly owned subsidiary, certain information and details are omitted.

Details

1. Purpose of the Merger

As the environment surrounding the flour milling industry is becoming increasingly severe, it is necessary to develop business strategies through swift decision-making and build an efficient management system. The Company therefore decided to absorb Tofuku Flour Mills.

2. Summary of the Merger

(1) Schedule

Date of resolution by the Board of Directors: February 18, 2021

Date of execution of merger agreement: February 18, 2021

Merger date (effective date): April 1, 2021 (planned)

*The Merger will be a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act for the Company, and a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act for Tofuku Flour Mills. Thus, each of these will be implemented without the approval of the respective shareholders' meetings.

(2) Method of the Merger

Tofuku Flour Mills will be dissolved through an absorption-type merger with the Company as the surviving company.

(3) Content of the Allotment Pertaining to the Merger

No shares nor money, etc. will be allotted as a result of the Merger.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights of Extinguished Company

Not applicable

3. Overview of the Companies Involved in the Merger (as of September 30, 2020)

	Surviving company in the Merger	Dissolving company in the Merger
Title	NIPPN CORPORATION	Tofuku Flour Mills Co., Ltd.
(2) Location	4-8 Kojimachi, Chiyoda-ku, Tokyo	4-9-20 Nanotsu, Chuo-ku, Fukuoka City, Fukuoka Prefecture
(3) Title/name of representative	President, C.O.O. Toshiya Maezuru	President, Tsuyoshi Shinagawa
(4) Business contents	Manufacture and sale of flour and other foods	Manufacture and sale of products made from wheat or other agricultural products, such as wheat flour and mixed flour; purchase and sale of noodles, grains, and other commodities
(5) Capital	12,240 million yen	400 million yen
(6) Date of establishment	September 26, 1896	October 9, 1932
(7) Number of issued shares	78,824,009 shares	9,953,271 shares
(8) Fiscal year-end	March 31	March 31
Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. (trust account) 7.14 % Nippon Flour Mills Clients Shareholding Association 6.01 % Taiju Life Insurance Co., Ltd. 4.55 % MITSUI & CO., LTD. 4.36 % DUSKIN CO., LTD. 3.26 %	NIPPN CORPORATION 96.89 % Eiichi Nogami 3.01 % Mitsuo Nogami 0.10 % (Note) On February 16, 2021, the shares held by Mr. Eiichi Nogami and Mr. Mitsuo Nogami were transferred to NIPPN CORPORATION.
(10) Financial position and operating results of the immediately preceding fiscal year		
Fiscal Year	Year ended March 31, 2020 (Consolidated)	Year ended March 31, 2020 (Non-Consolidated)
Net Assets	158,581 million yen	1,674 million yen
Total assets	290,428 million yen	3,096 million yen
Net assets per share	2,006.14 yen	168.23 yen
Net sales	344,839 million yen	2,729 million yen
Operating income	11,101 million yen	80 million yen
Ordinary Income	12,740 million yen	89 million yen
Profit attributable to owners of parent	8,941 million yen	32 million yen
Basic profit per share	116.71 yen	3.22 yen

4. Post-Merger Situation

After the Merger, there will be no changes to the name, location, title or name of the representative, business description, capital, or accounting period of the Company.

The name of Tofuku Flour Mills will become “Nippn Corporation, Fukuoka Nanotsu Plant” after the Merger.

5. Future Outlook

Since the Merger is an absorption-type merger of a wholly owned subsidiary of the Company, its impact on consolidated operating results will be immaterial.
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