



July 12, 2018

To whom it may concern

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Announcement Concerning the Merger of Subsidiaries of a Consolidated Subsidiary

We hereby announce that at the Board Meeting held on July 12, 2018, it was decided that Mektec Manufacturing Corp. (Suzhou), Ltd., a subsidiary of the Company's consolidated subsidiary, merge with Mektec Manufacturing Corporation (Suzhou2), also a subsidiary of the Company's consolidated subsidiary, by way of an absorption-type merger, as described below.

Since this is a merger between the subsidiaries of one of the Company's consolidated subsidiaries, some of the disclosure items and details have been omitted.

1. Purpose of the merger

Mektec Manufacturing Corporation (Suzhou2) (acquired from Nitto Denko in January 2018) and Mektec Manufacturing Corp. (Suzhou), Ltd. (established in 2002), both subsidiaries of Nippon Mektron, Ltd., a wholly-owned subsidiary of the Company, are engaged in the manufacture and sale of flexible printed circuits (FPC). The merger of the two companies is to streamline and rationalize management.

2. Summary of the merger

(1) Schedule of the merger

Board meeting to decide on the merger (Mektec Manufacturing Corp. (Suzhou), Ltd.)

July 11, 2018

Board meeting to decide on the merger (Mektec Manufacturing Corporation (Suzhou2))

July 11, 2018

Board meeting to approve the merger (the Company)

July 12, 2018

Shareholders' meeting to approve the merger (Mektec Manufacturing Corp. (Suzhou), Ltd.)

	July 31, 2018
Shareholders' meeting to approve the merger (Mektec Manufacturing Corporation (Suzhou2))	
	July 31, 2018
Conclusion of merger agreement (parties to the merger)	
	July 31, 2018
Due date of merger (effective date)	November 1, 2018

(2) Method of the merger

An absorption-type merger with Mektec Manufacturing Corp. (Suzhou), Ltd. as the surviving company and Mektec Manufacturing Corporation (Suzhou2) as the absorbed company.

(3) Allotments related to the merger

Since the merger is an absorption-type merger between subsidiaries of the Company's wholly-owned subsidiary, there will be no allotment of shares or other form of compensation.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights following the merger

Not applicable

3. Overview of the parties to the merger

	Surviving company (As of May 31, 2018)	Absorbed company (As of May 31, 2018)
(1) Company name	Mektec Manufacturing Corp. (Suzhou), Ltd.	Mektec Manufacturing Corporation (Suzhou2)
(2) Head office	No.1 Shuang Deng Road, Weiting Town, Suzhou Industrial Park, Jiangsu Province, China	No.468 Suhong Zhong Road, Suzhou Industrial Park, Jiangsu Province, China
(3) Name and title of representative	Masaaki Ishikawa, President	Masaaki Ishikawa, President
(4) Line of business	Manufacture and sale of FPC and related products	Manufacture and sale of FPC and related products
(5) Capital	6,600 million yen	5,322 million yen
(6) Established	August 14, 2002	May 9, 2018
(7) Number of shares in issue	60,000,000	5,322,000,000
(8) Fiscal year-end	December 31	December 31
(9) Major shareholder(s) and shareholding ratio	Nippon Mektron, Ltd. 53.33%	Nippon Mektron, Ltd. 100%
	Mektec Industrial Corp., Ltd. 46.67% *1	
(10) Financial condition and operating results of the immediately preceding fiscal year		
Fiscal year	Ended December 31, 2017	Ended December 31, 2017
Net assets	13,703 million yen	8,490 million yen
Total assets	43,991 million yen	12,853 million yen
Net assets per share	228.38 yen	1.60 yen
Net sales	82,257 million yen	30,988 million yen
Operating income	978 million yen	-140 million yen
Ordinary income	835 million yen	-142 million yen
Net income	633 million yen	-142 million yen
Net income per share	10.56 yen	-0.03 yen

*1

	Overview of the minority shareholding company (As of July 12, 2018)
(1) Company name	Mektec Industrial Corp., Ltd.
(2) Head office	No.48 Chiung-Heng Street, Hsiao-Kang District, Kaohsiung, Taiwan
(3) Name and title of representative	Hiroto Hayase, President

(4) Line of business	Manufacture and sale of FPC and related products
(5) Capital	1,337 million yen
(6) Established	September 27, 1986
(7) Number of shares in issue	367,312
(8) Fiscal year-end	December 31
(9) Major shareholder(s) and shareholding ratio	Nippon Mektron, Ltd. 85.03% 台湾開得投資 12.31% Individual shareholder 2.66%

4. Situation after the merger

(1) Company name	Mektec Manufacturing Corp. (Suzhou), Ltd.
(2) Head office	No.1 Shuang Deng Road, Weiting Town, Suzhou Industrial Park, Jiangsu Province, China
(3) Name and title of representative	Masaaki Ishikawa, President
(4) Line of business	Manufacture and sale of FPC and related products
(5) Capital	13,451 million yen
(6) Fiscal year-end	December 31

5. Future outlook

Since the merger is a merger between subsidiaries of the Company's consolidated subsidiary, its impact on the Company's consolidated operating results is minor.