



October 4, 2023

To whom it may concern:

Company name: NOF CORPORATION
Name of representative: Koji Sawamura, President and
Chief Executive Officer
(Securities code: 4403; Tokyo
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Notice regarding the Merger between Consolidated Subsidiaries

NOF CORPORATION (the “Company”) hereby announces that two consolidated subsidiaries of the Company, Nippon Koki Co., Ltd. (“Nippon Koki”) and HOKKAIDO NOF CORPORATION (“HOKKAIDO NOF”) resolved at their respective Boards of Directors’ meetings held on September 26, 2023 to conduct an absorption-type merger, whereby Nippon Koki will become the surviving company (hereinafter the “Merger”), and the merger agreement was entered into on October 4, 2023. The details are presented below.

The Merger is between consolidated subsidiaries of the Company and hence this matter does not fall under the criteria for timely disclosure. However, the Company chooses to disclose this information on a voluntary basis.

1. Purpose of the merger

The purpose of the Merger is to strengthen the business base and improve the efficiency of business operations of Explosive & Propulsion in the NOF Group.

2. Overview of the merger

(1) Schedule of the merger

Resolutions of merger at Boards of Directors’ meetings (of the companies involved in the merger):

September 26, 2023

Conclusion of merger agreement (by the companies involved in the merger):

October 4, 2023

Approvals of merger agreement at general meetings of shareholders (of the companies involved in the merger):

March 26, 2024 (scheduled)

Effective merger date:

April 1, 2024 (scheduled)

(2) Method of the merger

The merger will be conducted as an absorption-type merger, with Nippon Koki as the surviving company, and HOKKAIDO NOF will be dissolved.

(3) Details of allocation related to the merger

	Nippon Koki (Surviving company in absorption-type merger)	HOKKAIDO NOF (Dissolving company in absorption-type merger)
Ratio of allocation pursuant to the Merger	1	93.4

(4) Handling of stock acquisition rights and bonds with stock acquisition rights upon the merger

Not applicable.

3. Outline of the merging companies

	Surviving company	Dissolving company
(1)Company name	Nippon Koki Co., Ltd.	HOKKAIDO NOF CORPORATION
(2)Location	36-1, Nishi-Shimbashi 2-chome, Minato-ku, Tokyo	549, Koushunai, Bibai-shi, Hokkaido
(3)Name and title of representative	Kazuhiko Hirata President and Representative Director	Katsumi Saito President and Representative Director
(4) Businesses description	Production of defense equipment and industrial explosives; production and sales of pyrotechnics and crime prevention products	Production of industrial explosives; production and sales of road anti-icing agents and dispensing equipment, Explosive disposal
(5)Capital	2,000 million yen	220 million yen
(6)Date established	March 1, 1933	February 1, 1994
(7)Number of shares issued	4,000,000 shares	4,400 shares
(8)Fiscal year-end	March 31	March 31
(9)Major shareholders and percentage of shares held	NOF CORPORATION : 95.0% The Japan Steel Works, Ltd. : 5.0%	NOF CORPORATION : 100.0%
(10)Financial condition and financial performance in the most recent fiscal year		
Fiscal year end	March 31, 2023	March 31, 2023
Net assets	9,321 million yen	807 million yen
Total assets	20,664 million yen	2,263 million yen
Net assets per share	2,330.34 yen	183,426.91 yen
Net sales	8,423 million yen	1,797 million yen
Operating profit	353 million yen	140 million yen
Ordinary profit	391 million yen	145 million yen
Profit attributable to owners of parent	319 million yen	150 million yen
Basic earnings per share	79.80 yen	34,187.20 yen

4. Status after the merger

(1)Company name	Nippon Koki Co., Ltd.
(2)Location	36-1, Nishi-Shimbashi 2-chome, Minato-ku, Tokyo
(3)Name and title of representative	Kazuhiko Hirata President and Representative Director
(4) Businesses description	Production of defense equipment and industrial explosives; production and sales of pyrotechnics and crime prevention products; production of industrial explosives; production and sales of road anti-icing agents and dispensing equipment, Explosive disposal
(5)Capital	2,000 million yen
(6)Fiscal year-end	March 31

5. Future outlook

This merger is an absorption-type merger involving a consolidated subsidiary. Thus, impact of the merger on consolidated financial results will be negligible.