Notice Regarding Additional Acquisition of Membership Interest of DCI International, LLC by the Company's Subsidiary (Change in Consolidated Subsidiaries) and Disposal of the Company's Treasury Shares by Way of Third-Party Allotment

KANUMA, August 21, 2023

Nakanishi Inc. (the "Company") hereby announces that its consolidated subsidiary, NSK America Holdings Inc. (Delaware, U.S.A.; "NAH") has decided today to purchase additional membership interest of the Company's equity method-applied affiliate, DCI International, LLC (Oregon U.S.A.; "DCI") and to make DCI and its four subsidiaries (including its second-tier subsidiaries and third-tier subsidiaries; the same shall apply hereinafter) the subsidiaries of NAH (the "Transaction"). The Company also announces that it has resolved to dispose of its treasury shares through a third-party allotment (the "Third-Party Allotment") to the Transaction's counterparties, DCI Holdings, Inc. (Oregon U.S.A.; "DCI Holdings"), Spencer Management, Inc. (Oregon, U.S.A.; "Spencer Management"), and Mr. Austin Unsworth ("Mr. Unsworth"; collectively with DCI Holdings and Spencer Management, the "Scheduled Allottees") as consideration for the acquisition of their membership interests of DCI in the Transaction at the Board of Directors today.
The Transaction will be conducted through NAH's acquisition of membership interest of DCI held by the Scheduled Allottees, and NAH will proceed with the procedures to obtain the necessary legal permits and approvals with the aim of completing the acquisition around the end of August 2023.

I. Transaction and accompanying change in subsidiaries

1. Reason for the Transaction

The main business of the Company's group (the "Group") is the instruments business such as dental handpieces and motors, and in order to grow in the instruments market in the United States, in October 2020, through the Company's subsidiary, NAH, the Group invested in Spencer Holdings (Oregon), LLC, the parent company of DCI, a leading company in the United States as a parts manufacturer for dental units and a dental chair manufacturer who is achieving rapid growth in the dental chair market in the United States in recent years, and acquired a 33% membership interest of Spencer Holdings (Oregon), LLC. Subsequently, in September 2021, through a merger with DCI as the surviving company and Spencer Holdings (Oregon), LLC as the absorbed company, NAH acquired membership interest of DCI, and in December of the same year, NAH acquired additional membership interest of DCI, resulting in the Group's membership interest in DCI being 49.00% as of today.
Through its alliance with DCI, the Company has sought to create synergies between the Group and DCI's group by supplying many of the Company's instruments as a package along with DCI's dental chairs to new dental clinics throughout the North America, and by offering attractive product packages to Dental Service Organizations (DSOs), which is a rapidly growing group organization of dental practices in the dental market of North America.
Under these circumstances, in order to maximize synergies, the Company resolved at the Board of Directors on August 21, 2023 to enter into the Membership Interest Purchase Agreement (the "Membership Interest Purchase Agreement") between NAH and the Scheduled Allottees on the same day regarding the acquisition of the remaining membership interest of DCI held by each of the Scheduled Allottees through NAH as well as DCI becoming a wholly owned subsidiary of NAH, and NAH entered into the Membership Interest Purchase Agreement as of the same date. The Company also resolved at the Board of Directors to conduct the Third-Party Allotment to the Scheduled Allottees as part of the Transaction.
The Company is in a leading position in the global dental instruments market and is currently experiencing strong growth in the market in North America. The market in North America has been positioned as a priority market in the Mid Term Management Plan "NV2025+," and its importance in terms of market size and growth potential has been further enhanced. Under these circumstances, the Company believes that making DCI a wholly owned subsidiary will bring in profits from DCI and further deepen the synergies between the two companies, which is expected to expand business earnings.

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2. Method of the Transaction

The Transaction will be conducted in a manner that NAH will make DCI a wholly owned subsidiary by acquiring the 51.00% membership interest of DCI held by the Scheduled Allottees under the Membership Interest Purchase Agreement between NAH, who owns 49.00% of the membership interest of DCI, and the Scheduled Allottees, who own the remaining 51.00% membership interest of DCI.

The Membership Interest Purchase Agreement also stipulates that the Company shall dispose of its treasury shares to the Scheduled Allottees through the Third-Party Allotment, the subject of which is to contribute the portion of the claim for payment of the transfer price of DCI's membership interest that is equivalent to 24,996,240 U.S. dollars (3,642 million yen) (the "Claim for Payment of the Transfer Price"), and that the remaining amount of the claim for payment of the transfer price shall be paid by NAH in cash. The amount of consideration and the method of settlement have been discussed and agreed upon between the Company and the Scheduled Allottees, taking into account the Scheduled Allottees' intention regarding the consideration.

In addition to the above acquisition consideration, the Membership Interest Purchase Agreement stipulates that NAH shall pay to the Scheduled Allottees a conditional acquisition consideration (the "Earn-out Consideration") based on the degree of achievement of DCI's business performance. The Earn-out Consideration is an additional consideration to be paid to the Scheduled Allottees, the sellers of DCI's membership interest in the Transaction, and the additional payment shall be made in accordance with the degree of achievement of DCI's business performance for the fiscal year ending December 31, 2023 and the fiscal year ending December 31, 2024. The introduction of the Earn-out Consideration will reduce the Company's risk associated with the Transaction.

3.Overview of subsidiary (NAH) acquiring membership interest

(1)	Company name	NSK America Holdings Inc.
(2)	Location	251 Little Falls Drive, Wilmington, DE 19808
(3)	Job title and name of representative	President Daisuke Suzuki
(4)	Description of business	Capital participation in a company engaged in the dental business
(5)	Capital	5,000 thousand U.S. dollars (728 million yen) (as of December 31, 2022)

4. Overview of subsidiaries to be transferred

1) DCI International, LLC

(1)	Company name	DCI International, LLC
(2)	Location	705 S Springbrook Rd, Newberg, OR 97132
(3)	Job title and name of representative	CEO John W. Spencer
(4)	Description of business	Manufacturing and sale of dental chairs, equipment, components, and parts for dental practices
(5)	Capital	5,596,000 U.S. dollars (815 million yen) (as of December 31, 2022)
(6)	Established	December 29, 2005
(7)	Principal shareholders and shareholding ratio	NSK America Holdings Inc. 49.00% DCI Holdings, Inc. 32.41% Spencer Management, Inc. 17.09% Austin Unsworth 1.50% (Note) Shareholding ratio is rounded to two decimal places.
(8)	Relationship between the company and the Company	
	Capital relationship	The Company indirectly holds 49.00% of DCI's membership interest.
	Personnel relationship	The Company dispatches officers to the company.
	Business relationship	Not applicable

(9)	Operating results and financial position for the past three years (U.S. dollars)		
Accounting period	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Consolidated Net assets	18,914,911 (2,756 million yen)	29,583,899 (4,310 million yen)	38,802,038 (5,653 million yen)
Consolidated Total assets	29,325,843 (4,273 million yen)	39,981,759 (5,825 million yen)	56,643,819 (8,253 million yen)
Consolidated Net assets per share	348.57 (50,790 yen)	545.18 (79,438 yen)	715.06 (104,191 yen)
Consolidated Net sales	68,061,090 (9,917 million yen)	104,582,404 (15,238 million yen)	149,634,966 (21,803 million yen)
Consolidated Operating profit	4,120,752 (600 million yen)	11,084,308 (1,615 million yen)	17,983,017 (2,620 million yen)
Consolidated Ordinary profit	4,067,885 (592 million yen)	14,202,025 (2,069 million yen)	18,797,524 (2,738 million yen)
Consolidated Net income	4,067,885 (592 million yen)	14,202,025 (2,069 million yen)	18,797,524 (2,738 million yen)
Consolidated Earnings per share	74.96 (10,922 yen)	261.72 (38,135 yen)	346.40 (50,474 yen)
Cash dividends per share	—	—	—

(Note) The operating results in (9) above include four subsidiaries of DCI. Since the Transaction will be conducted while such subsidiaries remain as subsidiaries of DCI, such subsidiaries will become consolidated subsidiaries of the Company as a result of the Transaction. The overview of Suzhou Spencer Medical Equipment Co., LTD., one of such subsidiaries, is described as follows. The overview of the other three subsidiaries has been omitted as the impact is immaterial.

2) Suzhou Spencer Medical Equipment Co., LTD.

(1)	Company name	Suzhou Spencer Medical Equipment Co., LTD.
(2)	Location	Floor 1, Tower 2, 318 Suwang Road, Yuexiu Street, Wuzhong District, Suzhou, P.R. China
(3)	Job title and name of representative	CEO John W. Spencer
(4)	Description of business	Import/export of cargo, sale of medical instruments, etc.
(5)	Capital	9,579,300 Chinese yuan (191,490 thousand yen)
(6)	Established	June 2, 2021
(7)	Principal shareholders and shareholding ratio	DCI Spencer HK Limited 100.00%
(8)	Relationship between the company and the Company	
	Capital relationship	The Company indirectly holds 49.00% of membership interest of DCI, the wholly owning parent company of the company.
	Personnel relationship	Not applicable
	Business relationship	Not applicable

(9) Operating results and financial position for the past three years (Chinese yuan)			
Accounting period	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Net assets	-	3,116,464 (62,298 thousand yen)	8,137,278 (162,664 thousand yen)
Total assets	-	6,495,459 (129,844 thousand yen)	12,224,068 (244,359 thousand yen)
Net sales	-	1,745,314 (34,888 thousand yen)	39,570,984 (791,023 thousand yen)
Operating profit	-	-1,723,886 (-34,460 thousand yen)	281,863 (5,634 thousand yen)
Ordinary profit	-	-1,723,886 (-34,460 thousand yen)	281,863 (5,634 thousand yen)
Profit attributable to owners of parent	-	-1,723,886 (-34,460 thousand yen)	281,863 (5,634 thousand yen)
Cash dividends per share	-	-	-

5. Overview of counterparties (Scheduled Allottees) of the Transaction (as of July 31, 2023)

1) DCI Holdings

(1)	Company name	DCI Holdings, Inc.
(2)	Location	705 S. Springbrook Rd, Newberg, Oregon 97132
(3)	Job title and name of representative	President John W. Spencer
(4)	Description of business	Holding company
(5)	Capital	1,000 U.S. dollars (145,710 yen)
(6)	Established	October 28, 1985
(7)	Number of ordinary shares outstanding	54,264 shares
(8)	Accounting period	December
(9)	Number of employees	Not applicable
(10)	Main customers	Not applicable
(11)	Main banks	Not applicable
(12)	Principal shareholders and shareholding ratio	Jason W. Spencer 33.33% Amy L. Spencer 33.33% Laura M. Murphy 33.33%
(13)	Relationship between the company and the Company	
	Capital relationship	There is no capital relationship to be noted between DCI Holdings and the Company. DCI Holdings holds 32.42% of membership interest of DCI, an affiliate of the Company.
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Status of applicability to the related party	Not applicable

(Note) Since DCI Holdings does not conduct business and the only asset it holds is its membership interest of DCI, the operating results and financial position for the past three years are not shown.

2) Spencer Management

(1)	Company name	Spencer Management, Inc.
(2)	Location	705 S. Springbrook Rd, Newberg, Oregon 97132
(3)	Job title and name of representative	President John W. Spencer
(4)	Description of business	Holding company
(5)	Capital	1,000 U.S. dollars (145,710 yen)
(6)	Established	February 8, 2013
(7)	Number of ordinary shares outstanding	100 shares
(8)	Accounting period	December
(9)	Number of employees	Not applicable
(10)	Main customers	Not applicable
(11)	Main banks	Not applicable
(12)	Principal shareholders and shareholding ratio	John W. Spencer/Janelle Spencer 100.00%
(13)	Relationship between the company and the Company	
	Capital relationship	There is no capital relationship to be noted between Spencer Management and the Company. Spencer Management holds 17.09% of membership interest of DCI, an affiliate of the Company.
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Status of applicability to the related party	Not applicable

(Note) Since Spencer Management does not conduct business and the only asset it holds is its membership interest of DCI, the operating results and financial position for the past three years are not shown..

3) Mr. Unsworth

(1)	Name	Austin Unsworth
(2)	Address	South Carolina, U.S.A.
(3)	Occupation	Corporate officer
(4)	Relationship between the listed company and the individual	
	Capital relationship	There is no capital relationship to be noted between Mr. Unsworth and the Company. Mr. Unsworth holds 1.50% of membership interest of DCI, an affiliate of the Company.
	Personnel relationship	Not applicable
	Business relationship	Mr. Unsworth is employed by DCI, an affiliate of the Company.
	Status of applicability to the related party	Not applicable

6. Proportion of membership interest to be acquired, acquisition value, and ownership interest before and after the acquisition

(1) Proportion of ownership interest before transfer	49.00%
(2) Proportion of membership interest to be acquired	51.00%
(3) Proportion of ownership interest after transfer	100.00%
(4) Acquisition value	The Company is obligated to maintain the confidentiality of the information and will not disclose it.

(Note) Of the claims for payment of the transfer price held by the Scheduled Allottees against NAH, the Claim for Payment of the Transfer Price, which is equivalent to 24,996,240 U.S. dollars (3,642 million yen), is scheduled to be the subject of the contribution in the Third-Party Allotment, and the remaining amount will be paid by NAH to the Scheduled Allottees in cash on August 31, 2023. In addition to the aforementioned acquisition consideration, the Membership Interest Purchase Agreement stipulates that NAH shall pay the Schedule Allottees the Earn-out Consideration based on the degree of achievement of DCI's business performance (Net sales, Adjusted EBITDA).

7. Timetable

(1) Determination by the resolution at the Board of Directors meeting of the Company and NAH	August 21, 2023
(2) Date of contract will be concluded	August 21, 2023
(3) Date of membership interest transfer	August 31, 2023 (scheduled)

II. Third-Party Allotment

1. Overview of the disposal

(1)	Paid-in period	From September 6, 2023 to October 31, 2023 (Note 1)
(2)	Number of shares to be disposed of	1,072,800 shares of common stock of the Company
(3)	Price of the disposal	USD 23.30 per share (JPY 3,395 per share) (Notes 2 and 3)
(4)	Amount of funds procured	USD 24,996,240 (JPY 3,642 million) (Notes 2 and 3)
(5)	Method of disposal or allotment (Scheduled allottees)	The following number of shares of common stock of the Company shall be allotted to each of the following parties by way of third-party allotment. DCI Holdings, Inc. 681,900 shares Spencer Management, Inc. 359,400 shares Austin Unsworth 31,500 shares
(6)	Other	Each of the above items is subject to the effectiveness of the notification pursuant to the Financial Instruments and Exchange Act and the fulfillment of the conditions precedent set forth in the Share Purchase Agreement concluded between the Company and the Scheduled Allottees dated August 21, 2023.

(Note 1) With respect to the Third-Party Allotment, the Company has resolved to use the period from Wednesday, September 6, 2023 to Tuesday, October 31, 2023 as the paid-in period under the Companies Act. The reason for setting the paid-in period from September 6, 2023 to October 31, 2023 is that the Third-Party Allotment will be conducted on the conditions precedent that the notification under the U.S. Antitrust Law regarding the Transaction is legally and validly processed by NAH and the Scheduled Allottees, that a certain waiting period has passed after such notification is accepted, and that the Scheduled Allottees have opened a securities account to receive the Company's shares. The payment for the Third-Party Allotment will be made after the fulfillment of such conditions, and as of today, the timing of the completion of such procedures cannot be determined.
(Note 2) The price of the disposal and the amount of funds procured are shown with the amount converted using an exchange rate of ¥145.71 to U.S. dollar (the middle rate between the telegraphic transfer selling rate and the telegraphic transfer buying rate of the MUFG Bank, Ltd. as of August, 18, 2023) in JPY and USD, respectively.
(Note 3) There will be no payment in cash since this is in the form of an in-kind contribution of the Claim for Payment of the Transfer Price.

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2. Purposes and reasons of the disposal

The Third-Party Allotment is to be conducted as part of the Transaction and has been discussed and agreed upon between the Company and the Scheduled Allottees, taking into account the Scheduled Allottees' intention regarding the consideration.

Upon the Transaction, the Company has decided to issue shares of common stock of the Company to the Scheduled Allottees, who hold membership interests of DCI, after considering various factors, including the effective use of treasury shares held by the Company and the reduction of financial impact to a certain extent.

3. Amount, use, and scheduled expenditure date of funds to be procured

(1)	Total paid-in amount	-
(2)	Estimated costs of issuance	¥23,470,000
(3)	Estimated net proceeds	-

(Note 1) There will be no payment in cash since this is in the form of an in-kind contribution of non-monetary assets.
(Note 2) The estimated costs of issuance do not include consumption tax, etc.
(Note 3) The estimated costs of issuance consist of advisory fees to KPMG AZSA LLC as the financial and tax advisor, legal expenses, and other expenses.

4. Views on reasonableness of use of funds

The Third-Party Allotment is to be conducted as part The Third-Party Allotment is in the form of an in-kind contribution of non-monetary assets, and there is no cash payment and no proceeds, therefore, there is no applicable information.

5. Reasonableness of disposal conditions, etc.

(1) Basis for price of the disposal and specific details thereof

The paid-in amount for the Third-Party Allotment (the "Paid-in Amount") will be 23.30 U.S. dollars (calculated to the third decimal places and rounded to the second decimal places) which is calculated, upon discussion with the Scheduled Allottees, by converting ¥3,395 (the "Closing Price on the Business Day Preceding the Resolution Date"), which is the same amount as the closing price of August 18, 2023, which is the trading day immediately preceding the date of resolution at the Board of Directors of the Company concerning the Third-Party Allotment, August 21, 2023, into U.S. dollars at an exchange rate of ¥145.71 to U.S. dollar (the middle rate between the telegraphic transfer selling rate and the telegraphic transfer buying rate of the MUFG Bank, Ltd.).

The Closing Price on the Business Day Preceding the Resolution Date, ¥3,395 is a 1.9% premium to the average closing price (¥3,332) for the period one month back from the most recent trading day, a 6.8% premium to the average closing price (¥3,178) for the period three months back from the most recent trading day, and a 15.8% premium to the average closing price (¥2,932) for the period six months back from the most recent trading day. Taking the above into consideration, the Company believes that the paid-in amount for the disposal of its treasury shares by third-party allotment is not particularly favorable and is reasonable, as it is in line with the guidelines for third-party allotment set forth by the Japan Securities Dealers Association, and the Closing Price on the Business Day Preceding the Resolution Date is a premium compared to any of the simple average closing prices for the periods one month, three months, and six months back from the most recent trading day.

Based on this, all three of the Company's Corporate Auditors (including three Outside Corporate Auditors) expressed their opinions that the Paid-in Amount complies with the above guidelines and does not represent a particularly favorable paid-in amount.

(2) Basis for determining that the number of shares to be issued and the scale of dilution are reasonable

The number of shares to be disposed of through the Third-Party Allotment is 1,072,800 shares (10,728 voting rights), which corresponds to 1.1% of 94,259,400 shares, the total number of ordinary shares outstanding of the Company as of June 30, 2023, and 1.3% of 849,654, the total number of voting rights as of the same date, which will cause a certain level of dilution.
However, the Third-Party Allotment is to be conducted as part of the Transaction, and as stated in "1. Reason for the Transaction" in "I. Transaction and accompanying change in subsidiaries" above, the Transaction will lead to further growth of the Company in the market in North America, and therefore, over the medium to long term, the Transaction is expected to result in an improvement in the Company's corporate value and shareholder value that outweighs the above dilution. The Company thinks that the Third-Party Allotment will contribute to the improvement in the Company's corporate value and shareholder value.
Based on the above, the Company believes that the number of shares to be issued and the scale of dilution associated with the Third-Party Allotment are reasonable.

6. Reasons for selection of the Scheduled Allottees, etc.

(1) Overview of the Scheduled Allottees

Please refer to "5. Overview of counterparties (Scheduled Allottees) of the Transaction" in "I. Transaction and accompanying change in subsidiaries" above.
The Company independently requested JP Research & Consulting Inc., a specialized third-party research agency, to investigate whether or not the Scheduled Allottees are antisocial forces and whether or not the Scheduled Allottees have any relationship with antisocial forces, and received an investigation report from the agency. In such investigation report, there was no report to the effect that the Scheduled Allottees are antisocial forces or that the Scheduled Allottees have any kind of relationship with antisocial forces. In addition, by confirming through interviews with the Scheduled Allottees that the Scheduled Allottees and their related parties are not individuals, corporations, or other organizations (specific organizations, etc.) that seek to gain economic benefits by using violence or force or by committing fraud or other criminal acts, and that the Scheduled Allottees and their related parties are not engaged in any antisocial activities, the Company has determined that the Scheduled Allottees and their corporate officers do not have any relationship with antisocial forces, and has submitted a written confirmation to that effect to Tokyo Stock Exchange, Inc.

(2) Reason for selecting the Scheduled Allottees(1) Overview of the Scheduled Allottees

Please refer to "2. Purposes and reasons of the disposal" above.

(3) Ownership policy of the Scheduled Allottees

Each of the Scheduled Allottees has agreed with the Company that they will not sell the shares of common stock of the Company to be allotted through the Third-Party Allotment (the "Allotted Shares") until September 30, 2023 (inclusive), if the Third Party Allotment is conducted on or before September 30, 2023.
The Company plans to obtain written confirmation from the Scheduled Allottees that they agree to report to the Company in writing the details of any transfer of all or part of their shares of common stock of the Company within two years of the paid-in for the Third-Party Allotment, and that the Company will report such report to the Tokyo Stock Exchange and make the details of such report available for public inspection.

(4) Details of the confirmation of the existence of assets required for the paid-in by the Scheduled Allottees

There will be no payment in cash since the Third-Party Allotment is in the form of an in-kind contribution of non-monetary assets. The Company has confirmed that, based on the amendment to Exhibit A of the Second Amended and Restated Operating Agreement dated December 30, 2021, each of the Scheduled Allottees holds membership interest of DCI.

7. Principal shareholders and shareholding ratio after the disposal

Before the disposal (As of June 30, 2023)		After the disposal	
The Master Trust Bank of Japan, Ltd. (Trust accounts)	7.17%	The Master Trust Bank of Japan, Ltd. (Trust accounts)	7.08%
Custody Bank of Japan, Ltd. (Trust accounts)	6.26%	Custody Bank of Japan, Ltd. (Trust accounts)	6.19%
Chiyo Nakanishi	5.37%	Chiyo Nakanishi	5.30%
Nakanishi E&N Inc.	5.33%	Nakanishi E&N Inc.	5.26%
JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	3.74%	JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	3.69%
Eiichi Nakanishi	3.72%	Eiichi Nakanishi	3.68%
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Custody Business Department, Tokyo Branch, The Hongkong & Shanghai Banking Corporation Limited)	3.72%	SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Custody Business Department, Tokyo Branch, The Hongkong & Shanghai Banking Corporation Limited)	3.67%
Kensuke Nakanishi	3.71%	Kensuke Nakanishi	3.67%
Office Nakanishi Inc.	3.67%	Office Nakanishi Inc.	3.63%
The NSK Nakanishi Foundation	3.56%	The NSK Nakanishi Foundation	3.51%

8. Future outlook

As a result of the Transaction, DCI and its four subsidiaries will become consolidated subsidiaries of the Company from the end of the 3rd quarter of the fiscal year ending December 31, 2023. We calculated the impact of the Transaction on the Company's consolidated financial results and revised earnings forecasts of the fiscal year ending December 31, 2023, as announced in "Notice Regarding Revisions to Full-Year Financial Forecasts (Upward Revision)".

9. Matters concerning procedures under the Code of Corporate Conduct

Since the dilution ratio associated with the Third-Party Allotment is less than 25% and the Third-Party Allotment does not involve a change in controlling shareholder, it is not necessary to obtain an opinion from an independent third party or to confirm the intent of shareholders as stipulated in Rule 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

10. Financial results and equity financing for the past three years

(1) Financial results for the past three years (consolidated)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Consolidated net sales	¥33,055,477 thousand	¥44,857,730 thousand	¥48,671,452 thousand
Consolidated operating profit	¥8,542,150 thousand	¥13,750,434 thousand	¥15,389,229 thousand
Consolidated ordinary profit	¥8,627,762 thousand	¥13,951,666 thousand	¥17,646,562 thousand
Profit attributable to owners of parent	¥6,455,054 thousand	¥10,102,609 thousand	¥12,471,540 thousand
Consolidated Earnings per share	¥74.49	¥116.73	¥145.48
Cash dividends per share	¥30	¥37	¥46
Consolidated net assets per share	¥877.95	¥959.59	¥1,065.57

(2) Current status of the number of ordinary shares outstanding and the number of dilutive shares (as of today)

	Number of shares	Ratio to the number of ordinary shares outstanding
Number of ordinary shares outstanding	94,259,400 shares	100.00%
Number of dilutive shares at current conversion price (exercise price)	247,500 shares	0.26%
Number of dilutive shares at the lower limit of conversion price (exercise price)	-	-
Number of dilutive shares at the upper limit of conversion price (exercise price)	-	-

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(3) Recent stock prices

1) Stock prices for the past three years

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Opening price	¥2,119	¥2,267	¥2,168
High price	¥2,291	¥2,699	¥2,942
Low price	¥1,301	¥1,984	¥1,902
Closing price	¥2,265	¥2,118	¥2,557

2) Stock prices for the past six months

	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023
Opening price	¥2,830	¥2,644	¥2,598	¥2,926	¥3,225	¥3,280
High price	¥2,867	¥2,669	¥3,030	¥3,330	¥3,290	¥3,645
Low price	¥2,536	¥2,480	¥2,544	¥2,902	¥3,050	¥3,215
Closing price	¥2,627	¥2,571	¥2,940	¥3,180	¥3,275	¥3,395

(Note) Stock prices for August 2023 are those from August 1, 2023 to August 18, 2023.

3) Stock price on the business day preceding the date of resolution to issue

	August 18, 2023
Opening price	¥3,445
High price	¥3,450
Low price	¥3,330
Closing price	¥3,395

(4) Equity financing for the past three years

Not applicable.

11. Overview of the disposal

.	Class and number of shares to be disposed of	1,072,800 shares of common stock of the Company
(2)	Paid-in amount	USD 23.30 per share (JPY3,395 per share)
(3)	Total paid-in amount	USD 24,996,240 (JPY 3,642,202,131)
(4)	Details and price of contribution in kind	Claim for payment of the transfer price of membership interest of DCI held by the Scheduled Allottees against NSK America Holdings Inc. ("NAH") pursuant to the Membership Interest Purchase Agreement concluded between NAH and the Scheduled Allottees dated August 21, 2023: USD 24,996,240 in total
(5)	Method of disposal or allotment (Scheduled allottees)	The following number of shares of common stock of the Company shall be allotted to each of the following parties by way of third-party allotment. DCI Holdings, Inc. 681,900 shares Spencer Management, Inc. 359,400 shares Austin Unsworth 31,500 shares
(6)	Delivery period of assets in exchange for shares to be disposed of	From Wednesday, September 6, 2023 to Tuesday, October 31, 2023
(7)	Other	Each of the above items is subject to the effectiveness of the notification pursuant to the Financial Instruments and Exchange Act and the fulfillment of the precedent set forth in the Share Purchase Agreement concluded between the Company and the Scheduled Allottees dated August 21, 2023.

(Note) The exchange rates in used in this document are ¥145.71 to U.S. dollar and ¥19.99 to Chinese yuan (the middle rate between the telegraphic transfer selling rate and the telegraphic transfer buying rate of the MUFG Bank, Ltd. as of August, 18, 2023), respectively.