



January 28, 2020

News release

Company name	YAMASHIN-FILTER CORP.
Representative	Atsuhiko Yamazaki, President and Representative Director (Code: 6240, First Section, Tokyo Stock Exchange)
Address inquiries to	Chikahisa Ioka, Director/General Manager, Administration Division (TEL. 045-680-1671)

Notice Regarding Acquisition of Fixed Assets by Consolidated Subsidiary

At an extraordinary meeting of the Board of Directors held today (January 28, 2020), YAMASHIN-FILTER CORP. resolved to approve the acquisition of fixed assets by AQC Corporation, one of the company's consolidated subsidiaries. An overview is provided below.

Details

1. Overview of Subsidiary

- | | |
|-----------------------|---|
| (1) Name | AQC Corporation |
| (2) Address | 1-20, Hirabayashiminami 1-chome, Suminoe-ku, Osaka |
| (3) Representative | Takeshi Watanabe, President and Representative Director |
| (4) Lines of business | Activities related to air filters, including manufacture, research, product development, inspections, and sales |
| (5) Capital | 50 million yen |

2. Overview of Assets Acquired

Assets and location		Property category
Location:	2-29, Minamikohoku 1-chome, Suminoe-ku, Osaka-shi, Osaka	Office and factory
Land:	11,900.02 m ²	
Buildings:	Reinforced concrete five-story structure	
Floor space:	11,180.25 m ²	

※ Determined by market value, the acquisition price amounts to less than 30% of our consolidated net assets at the end of the previous fiscal year. At the seller's request, we refrain from disclosing additional details at this time.

3. Overview of the Seller

(1)	Name	Nikkei Inc.
(2)	Address	Head Office 1-3-7, Otemachi, Chiyoda-ku, Tokyo
(3)	Representative	Naotoshi Okada, President & CEO
(4)	Lines of business	Operating holding company with newspaper activities as core business. Group operations range from books and magazines to digital media, database services, broadcasting, event management, and other activities.
(5)	Capital	2,500 million yen
(6)	Relationship between YAMASHIN and the company in question	No capital, personal, or transaction relationship requiring special mention exists between YAMASHIN and the company in question.

4. Background of Acquisition

Building on our mainstay business of hydraulic filters for construction machinery, we are aggressively expanding into new business domains: 1) air filtration (based on the acquisition of an air filter company) and 2) nanotechnology (based on the development of new products incorporating synthetic polymer nanofibers).

In August 2019, we acquired AQC Corporation, an air filter company. For more than 30 years since its head office plant opened in 1989 in Suminoe Ward, Osaka City, AQC Corporation has sought to expand by adding to its factory facilities and warehouse space. Since joining the Group in August 2019, AQC has faced the need to further expand its facilities to accommodate R&D and mass production plans for new products based on YAMASHIN NANO FILTER™, a new material. The difficulty of securing the plant space needed at the existing site has created an urgent need to relocate.

The new office building and plant is located in the Sakshima Cosmo Square area of Suminoe Ward, the same area as the current head office and factories. The property is situated in a favorable location, which has emerged as a significant new production base in Osaka City. We chose to acquire this property based on the belief that it will contribute to the profitability of AQC Corporation and to stable Group performance.

5. Acquisition Timeline

(1)	Date of resolution by the Board of Directors	January 28, 2020
(2)	Date of conclusion of purchase and sale agreement	February 4, 2020 (planned)
(3)	Date of property delivery	February 28, 2020 (planned)

6. Funds for Acquisition

YAMASHIN-FILTER CORP. plans to use its own funds to acquire the property.

7. Future Outlook

Since the acquisition of this property will only have a minor impact on financial results, YAMASHIN has not revised its consolidated financial forecasts (announced November 6, 2019) for the year ending March 31, 2020.

We will promptly disclose the status of our relocation to the new site and other details when events arise that we deem will have material impact on business results.