

1<sup>st</sup> November, 2007

To whom it may concern

Company Name: Nifco Inc.  
Head Office: 184-1 Maioka-cho, Totsuka-ku,  
Yokohama, Kanagawa Pref., Japan  
Comp. Code no. 7988 (1st Board TSE)  
Rep. Director: Ryuji Watanabe, President  
Contact Person: Kenichi Sakurai, Managing Director  
(tel 03-5476-4857)

### **Notice concerning the status of a subsidiary**

The Company would like to announce that a resolution was taken at a board of directors' meeting held today to increase the capital of a subsidiary as detailed below.

As a result of this increase, Nifco North America Inc. falls under the regulations concerning specified subsidiaries.

This increase in the subsidiary's capital is to strengthen the support for our customers in the North American market and to introduce the latest manufacturing system in order to permit a better response to the anticipated increases in production that are planned by our major customers in North America, the Japanese automotive companies.

#### **Notes**

##### **1. Outline of the specified subsidiary**

- |                                     |  |
|-------------------------------------|--|
| (1) Company name:                   | Nifco North America Inc.   |
| (2) Representative:                 | Hiroshi Takigawa (Director of Nifco Inc.)                                |
| (3) Location:                       | 380 Hudson Boulevard, Shelbyville,<br>Kentucky 40065, USA                |
| (4) Date of establishment:          | 15 <sup>th</sup> March, 2007   |
| (5) Lines of business:              | Sale and manufacture of industrial plastic<br>components and their molds |
| (6) Investment (prior to increase): | US\$4 million (circa ¥480 million)                                       |
| (7) Investment (after increase):    | US\$10 million (circa ¥1.2 billion)                                      |
| (8) Shareholding:                   | 100% Nifco Inc.  |

##### **2. Reasons for the change of status**

The Company will transfer funds to Nifco North America Inc. in order to take up in full the US\$6 million (circa ¥720 million) increase in capital being undertaken.

This increase means that the capital of the subsidiary after the increase in capital will become US\$10 million (circa ¥ 1.2 billion) which corresponds to more than 10% of the Company's own capital. As a result, the subsidiary shall be designated as a specified subsidiary.

### **3. Future prospects**

The effect on the consolidated results of the Company for the period ending in March 2008 will be slight.

**【 For questions related to this announcement, please contact the following】**

Nifco Inc., Overseas Planning Department, Mr. Kurata at telephone no. 03-5476-4857