

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: Masaru Onodera, President  
Contact Person: Kenichi Sakurai,  
Senior Managing Director in charge of strategic  
planning & administration, Divisional General  
Manager of Corporate Strategy Division &  
Corporate Administration Division  
(tel 03-5476-4850)

### **Notice concerning basic agreement to transfer some shares in a company subsidiary**

The Company would like to announce that it has reached an agreement to transfer some of its shares in a subsidiary company, Nifco Advanced Technology, Inc. (“NAT”) to Sun Corporation (“Sun”).

Further, with this transfer, NAT will change from being a subsidiary company of Nifco Inc. to an affiliated one.

#### 1. Reasons for the transfer

NAT, as a subsidiary of Nifco Inc., has strengthened the Company’s technology in respect of image processing and has developed and sold displays for amusement related products.

The transferee, Sun, conducts its main business in the market of amusement machines, and has developed its business in this field.

In this way, both NAT and Sun have been conducting business in the same market and, by making NAT a subsidiary, Sun hopes to develop its business further through the synergies which will result.

On the other hand, Nifco’s core business of plastic injection-moulded components for the automobile industry is starting to recover, and it is anticipated that there will be considerable growth in the developing countries foremost of which is China. Nifco hopes for many business opportunities from this growth.

In this business environment, Nifco is aiming for continuing growth by concentrating its resources even more on its core business of injection moulding of plastic parts and components and using these resources to open up new markets in this field and find new customers for these products.

#### 2. Outline of subsidiary company of which shares are being transferred (as of 31<sup>st</sup> March, 2009)

(1) Business name	Nifco Advanced Technology Inc.
(2) Registered office	184-1 Maioka-cho, Totsuka, Yokohama, Kanagawa Prefecture
(3) Representative Director	Yoshihiro Nomura, President
(4) Main lines of business	Development and sale of displays for amusement related products
(5) Date of establishment	January 2005
(6) Paid-in capital	¥300 Million
(7) Main shareholder & shareholding ratio	Nifco Inc. 100%

(8) Relations with Nifco

Capital: Nifco owns 100 percent of the issued shares of NAT.  
Employees: 3 Nifco board members serve as NAT board members.

Business dealings: There are no significant business dealings to be noted between the two companies as well as between the employees and the affiliated companies.

(9)

NAT's financial results for the three most recent periods			
Fiscal Period	March 2007	March 2008	March 2009
Total Asset	¥2,022 Million	¥3,408 Million	¥2,999 Million
Sales	¥4,415 Million	¥4,044 Million	¥2,446 Million
Operating Profit or Loss	¥4,462 Million (period ending March 2008)	¥1,445 Million	¥1,445 Million

3. Outline of the company accepting the shares

- (1) Business name Sun Corporation  
(2) Registered office 250 Asahi Kochino-cho, Konan-shi,  
Aichi Prefecture  
(3) Representative Director Kiharu Yoshida  
(4) Main lines of business Pachinko-related business, business related to  
Telecommunication and information.  
(5) Capital ¥891 million  
(6) Date of establishment April 1971  
(7) Relation with Nifco Capital: No relation  
Employees: No relation  
Business dealings: No relation

4. Shareholding position before and after this transfer

- (1) Holding of shares before transfer: 6,000 shares (Nifco Inc. 100% of total)  
(2) No. of shares to be transferred: 4,200 shares  
(3) No. of shares held after transfer: 1,800 shares (Nifco Inc. 30% of total)

5. Schedule for transfer

- 29<sup>th</sup> October, 2009 Directors' resolution approving transfer agreement  
29<sup>th</sup> October, 2009 Signing of transfer agreement  
Early November 2009 Transfer of shares (closing)

6. Effect on business results

Please refer to the "Announcement concerning revision to business results" of today's date.

**【Contact for questions concerning this notice】**

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